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ABSTRACT

The issue of financing postsecondary education was discussed from the point of view of low-income and minority students in Southern states. Additional discussions not reported in this monograph were reflected in the recommendations from the conference that were published separately. Emphasis in these papers was on the proper relationship of tuition levels and student aid, and the proper balance of federal and state support of higher education. This monograph contains four major parts dealing with (1) the problem of race and class inequities; (2) higher education finance and its effect on equal opportunity: two approaches to public policy; (3) southern state policies and programs, state financial aid programs and student access, some documents on educational finance in the South; and (4) statistical appendices on race and income inequities, participation of blacks in federal and state student aid programs, and public college tuition charges in the South. It is noted that southern states have both opportunity and obligation to take the lead in a more just and equitable distribution of educational services. (LBH)

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FINANCIAL BARRIERS TO EQUAL ACCESS IN HIGHER EDUCATION

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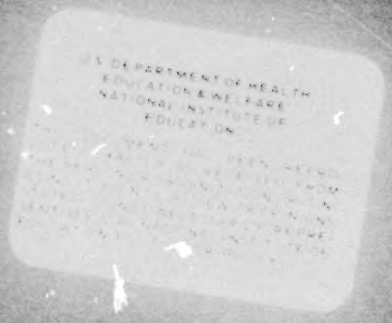
Carol Van Alstyne



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Papers prepared for a Conference on
Equality of Access in Postsecondary Education

sponsored by
The Southern Education Foundation
and The Ford Foundation
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July 17-19, 1975

FOREWORD

The Southern Education Foundation presents here a paper that was prepared for the conference on Equality of Access in Postsecondary Education. This conference, which was held in Atlanta on July 17, 18, and 19, 1975, was jointly sponsored by SEF and the Ford Foundation. The paper is reproduced here from the original manuscript and has not been edited by SEF.

This is the final paper relating to the above referenced conference to be published by SEF. The Foundation printed and distributed Dr. Alexander Astin's paper, "Myth of Equal Access in Public Higher Education," and Dr. James E. Blackwell's paper, "Access of Black Students to Graduate and Professional Schools." Additionally, a summary of the conference by John Egerton was published under the title "Equality of Access in Postsecondary Education."

Copies of the Egerton report are available from SEF without cost. This report and the other papers are available at a cost of $2.00 each.

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INTRODUCTION

Financial barriers to equal higher education opportunity for blacks -- like other barriers to access -- remain both complex and formidable.

In the late 60's and early 70's upper and middle class Americans were approaching universal college access for their children; the nation seemed then to be ready to begin publicly subsidizing a more equal participation by low-income students. But the huge tax burden of extended overseas involvement, coupled with inflation, recession and the ever rising costs of education slowed down what momentum was achieved. As the statistics in this monograph make clear, a combination of racial and income discrimination still strongly characterizes access to higher education in the nation, and in the South.

The Southern Education Foundation has for several years concentrated special attention on this problem, and in July, 1975, convened jointly with the Ford Foundation a Conference on Equality of Access in Postsecondary Education.

A full day of that Conference was devoted to an examination of the issue of financing postsecondary education from the point of view of low-income and minority students in Southern states. The papers and information which follow in this monograph were prepared for that meeting. They stimulated additional discussion which is not reported here, but which is reflected in the recommendations from the Conference which have been published separately by the Southern Education Foundation.

The matter of equal opportunity is the primary educational finance issue of the decade; its resolution will not result from reliance on private means or the supply and demand of the marketplace. Public policies, at the federal level and especially at the state level, hold the key to this central item of

unfinished public business. Therefore the papers and research commissioned for the Conference focus on the major current debates of public policy: What is the proper relationship of tuition levels and student aid to bring us closer to equal opportunity? What is the proper balance of federal and state support of higher education to accomplish this goal?

Southern states, where so many black students live and which are at last under judicial mandate to erase the residual effects of historically segregated systems of higher education, have both opportunity and obligation to take the lead in a more just and equitable distribution of educational services. The purpose of this monograph is to help Southern citizens and policy makers to understand the facts and the issues, and so to become more effective in removing the financial barriers to equal higher education opportunity.

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Virginia Fleming is a writer and researcher living in Washington, D. C.

PART I

THE PROBLEM: RACE AND CLASS INEQUITIES

The Conference Report, previously published, summarized some of the major findings of the statistical data gathered for the meeting as follows:

1. The proprotion of blacks among college age persons in the United States is 12 percent, but blacks represent only 7 or 8 percent of the college population. Of all American youths 18 to 21 years old in 1973, one-third of the whites but only one-fifth of the blacks were enrolled in college.

2. The percentage of blacks entering college as full-time freshmen declined from 8.7 percent of the total freshman class in 1972 to 7.4 percent in 1974.

3. The proportion of blacks in the college-age population in the South is almost 20 percent, but the 1974 enrollment of freshmen in those states was only 14 percent, and in previously segregated white institutions, blacks made up only 5.4 percent of the freshman class.

4. In the United States as a whole, more black students attended formerly all-white colleges and universities than historically black institutions. In the South, the opposite is true: the public black colleges enroll almost twice as many blacks as the public white ones, and there are more than six times as many black students in private black institutions as there are in private white ones.

5. Southern states are generally behind the national average in the percentage of their young people graduating from high school, and in the percentage of their high school graduates who attend college. Almost 77 percent of the nation's ninth-graders in the fall of 1969 graduated from high school in 1973; in the South, the highest comparable percentage was in Virginia (74.6) and the lowest

was in Mississippi (56.2). Of all the nation's 18-to-24-year-olds in 1972, more than 36 percent were enrolled in college, while in the South, no state had as much as one-third of its college age population in school.

6. Between 1958 and 1973, the cost of attending a public college increased by 87 percent. Currently, typical costs of attending college in the South range from 20 and 25 percent of the region's median family income level. A family with two children is said to need an annual income of at least $12,000 to be able reasonably to afford postsecondary education for one of those children, yet only one-third of all students in Southern colleges come from families with that much income.

7. Poor families across the nation enroll their children in college at a much lower rate than do wealthier families, and their ability to do so has not increased in recent years in spite of expressed national commitment to equal opportunity. From the family income bracket of $5,000 a year or less, only about one in every seven 18-to-24-year-olds attended college in 1974; at the same time, more than half of the college-age members of families earning $15,000 or more were enrolled. Furthermore a smaller percentage from the lowest income group was in college in 1973 than in 1967.

8. Low-income students are far more likely to attend less expensive two-year colleges than wealthier students, and they are far less likely to complete an undergraduate degree.

9. In Southern states, where the median income of black families is only slightly more than half as high as that of white families, and where three times as many black families as white are below the poverty level, black students face a double barrier. Not only do they carry the burden of inequities affecting the poor, but also at every income level more whites than blacks

attend college.

Thus the combined effect of income levels and student aid policies continues to reinforce the proportionately low enrollment of blacks in higher education institutions. White families are more than three times as likely as black families to have incomes over $15,000 -- a group which enrolls its children in college 4 and one-half times more frequently than the poorest families. Black students entering college in 1971 were twice as likely (40 percent) as nonblacks (18 percent) to depend on scholarships and grants as the means to that end. Of those entering freshmen, 44 percent of the blacks came from families with incomes less than $6,000, compared to 10 percent of the white students.

These are the facts which underlie a discussion of higher education finance and equal access.[1] The financial support appropriated by state and federal legislators, and the distribution of that support between general funds (tuition subsidies) and student aid funds, are of enormous significance to minorities in the South, as elsewhere.

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[1] Some additional facts and studies are included in Appendices A and B.

PART II

HIGHER EDUCATION FINANCE AND ITS EFFECT ON EQUAL OPPORTUNITY: TWO APPROACHES TO PUBLIC POLICY

In an opening panel of the finance discussion, two specialists in higher education finance, Dr. Carol Van Alstyne and Watts Hill, Jr., spoke from two quite different points of view about the central national policy issues: the distribution of resources between institutional aid and student aid, and the relationship of states and the federal government. They were asked to prepare a response to five general questions, upon which later discussion was based:

A. What is the optimum distribution (or redistribution) of public resources in higher education to achieve the goal of equal minority participation?

MR. HILL:

Public resources devoted to all post secondary education (exclusive of graduate and professional education)[1] might better be directed primarily to financial assistance to students at all levels attending all types of institutions. Financial assistance should be based entirely on need. At present public resources are directed almost exclusively to public institutions where they are used primarily as tuition subsidies to students without regard to need. The effect of such a change in the way post secondary education is financed would be to redistribute public resources away from those who would not qualify for need to those who would. As minority students as a group are less affluent than majority students as a group, the goal of equal minority participation would be served as would a number of other national goals such

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[1] Graduate education and research might better be funded by the Federal Government on the premise that the public benefits of education at that level are relatively national in nature, i.e., are not limited to state boundaries as is (relatively) education through the baccalaureate level.

as increasing the number of post secondary students, fuller utilization of educational resources (especially in the non-public sector), institutional diversity, student freedom of choice, etc.

The key element in the present system is the appropriation of tax dollars to public institutions, most of which are used to offset the institutions' general education expenses. This permits public institutions to reduce tuition charges far below actual cost. The result is that tax dollars become a tuition subsidy. At a typical four-year public college, the true instructional cost will be 3 to 5 times the tuition charged the student.

A major rationale for tuition subsidies is that by lowering the cost of education, access is extended to many who otherwise could not afford to attend. This argument often is summarized as "low tuition equals improved access."

This statement is only partially correct. If tuition is lowered by a tax subsidy, it is true that there will be some students who gain access who otherwise could not have afforded to go on to further education. But tuition is only one variable in an equation which must include all costs, and relate the total to alternative ways of providing access. The question is whether access would be improved if aid to students was based more on the students' financial need.

A tuition subsidy goes to <u>all</u> students, rich and poor alike. It is the equivalent of a grant to each student <u>without regard to need</u>. It is argued that this is society's way of saying that society as a whole benefits from an individual receiving a post secondary education.

The problem is not with the concept but rather in providing the funding not only for tuition subsidies but also for the necessary student aid. There are now insufficient financial resources to meet the financial aid requirements of many students, because resources have been used up in non-needs based tuition subsidies. Needy students receive inadequate total amounts of financial assistance in forms less desirable than the cash grant which is what a tuition

subsidy really is equivalent to. Needy students may receive jobs instead of a grant, which may mean time on a job instead of studying to overcome a second class education. Or a needy student may be given a loan (which must be repaid) in lieu of a grant.

The point is that the net effect of tuition subsidies without regard to need is that aid awards are made to many students who otherwise would not qualify for financial assistance at the expense of students who would qualify under a needs based aid program.

There are only two basic ways to correct this inequitable treatment. The first is to increase the appropriation of tax dollars sufficiently so that all student aid requirements based on need could be met. No responsible voice has suggested that this is economically and politically realistic in times of national affluence. Certainly it is not realistic in the midst of a recession.

The second alternative is to redistribute existing appropriations of tax dollars so as to reduce the total amount of awards without regard to need and use the funds thus released to increase the total amount of awards based on need. This is economically realistic and socially sound. Depending on the degree of enlightment of the public and its elected representatives in the state legislature and the Congress, it may even be politically realistic.

What is required today would be considered a radical change in the way we finance public post secondary education. At a minimum there would have to be substantial increases in tuition at the public institutions and the redirection of the appropriations thus released to aid to students based on need. The amount of tuition increase required would depend on a large number of variables among the most important of which are the income distribution of existing and potential students, the adequacy of existing aid programs and the burden to be carried by students in the form of loans.

The point being made here is that in every state there is a tuition level

at the public institutions (probably around 50 percent of actual instructional cost) which, in combination with a "reasonable" aid package, today could eliminate all economic barriers to all types of post secondary education at no increase in cost to the taxpayers. That statement is not a typographical mistake. It is possible to eliminate all economic barriers to post secondary education today[2] if the political environment would permit it to be done.

Present Barriers to an Equitable System

The way student aid is "packaged," along with the maldistribution and inadequate amount of aid, is one of the three critical contributors to the maintenance of economic barriers to equal opportunity.

Packaging Student Aid

In a number of national studies[3] it has been shown that the more attractive students are to an institution because of high ability, the more desirable will be the financial aid "package" awarded them. It can be shown that the undergraduates considered to be most desirable for academic or athletic reasons are most likely to receive grant awards -- and that the total amounts awarded often equal or exceed calculated need. Conversely, the less desirable students are (and there is a high correlation between degree of need and lack of academic achievement when measured by traditional criteria), the less likely they are to get the aid they need, in the full amount needed, and in a desirable package.

To compound the problem, most institutions understate needs and are unrealistic in what they expect a student to earn during vacations. Is it realistic to expect a poor, rural, black, female to save $400 over a summer from

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[2]See two unpublished studies, "Direct Aid to Students" and "Further Analysis of the College/Going-College/Choice Model," studies for the Office of the Assistant Secretary for Planning, HEW (OS-71-134, June 1972 and OS-71-134, Mod. No. 3, October 1974) by ICF, Inc., Washington, D. C.

[3]See, for example, "New Approaches to Student Financial Aid," Allan M. Cartter, et al., CEEB, New York, New York, 1971.

her job especially if simultaneously she must contribute to the support of her family which went without her earnings while she was in school? Or is it equitable to ask the student who has not been properly prepared to do college level work to hold down a job while in school when his better prepared counterpart is not required to? Is it realistic to place the burden of a large loan on a minority student whose earning prospects are demonstrably lower than his more affluent majority counterpart?

Maintaining Enrollment vs. Student Aid

There are other barriers inherent in the system. Consider the question of who is offered financial assistance and who is not. A private college is underenrolled. Three students apply. One needs $1,000 in assistance to meet the total charge of $4,000. The other two need $500 each. And there is only $1,000 in aid available. The two students needing $500 in aid are likely to get the awards for by that means the college receives $7,000 in net revenues rather than the $3,000 it would receive from the most needy student.

As long as the total supply of aid is inadequate, as long as institutions have incentives to award students financial assistance to maximize the institutions' enrollment, then institutional needs will continue to be placed ahead of student needs and societal needs.

Maldistribution of Aid Resources

In addition to inadequate total amounts of financial assistance, and the concurrent if not resulting discriminatory award level and packaging, there is the problem that the amount of student aid available to students at the prestigious institutions is in reverse correlation to the need of students at less prestigious institutions. Here again is an example of institutional interests overwhelming and obscuring the public interest.

Special Problems of Southeastern States

Compounding all these problems facing needy students which are national in scope are the special characteristics of the Southeastern states:

... low family income, i.e., large numbers of needy students;

... a heavy concentration of poor among blacks;

... poor primary and secondary schools leading to low achievement;

... no state with a comprehensive needs based system of student financial aid; and

... a concentration of institutions attended primarily by blacks.

The net result is that the national system of financing post secondary education which creates disincentives to the removal of economic barriers for needy students combines with the special economic and demographic factors which characterize the South to erect larger economic barriers in the South to equal opportunity than exist elsewhere in the nation. Southern blacks as a group are hardest hit even though the number of whites affected may be numerically larger.

What Can Be Done?

Consideration should be given to ways in which the present financing scheme might be modified in order to expand equal opportunity:

... widely disseminate the results of analyses relating to the critical areas discussed previously, e.g., student aid available vs. aid needed; the maldistribution of available aid among students, between institutions, between levels of institutions and between states and regions, and

... analyze alternative financing schemes which have characteristics such as:

(a) greater emphasis on needs based aid to students accompanied by lessened emphasis on aid to institutions (i.e., lessened

emphasis on indirect aid to students without regard to need).

(b) greater emphasis on meeting the initial aid needs of all students with modest size loans -- and filling the remaining gap with grant and job awards.

(c) making loans income contingent (i.e., making repayment contingent on a graduate's future income).

(d) a comprehensive, statewide, needs based, publicly funded program of financial assistance for students who are citizens of a given state who attend all types of institutions (public and non-public) at all levels (vo-tech through baccalaureate), and

(e) treatment of non-public institutions (private and proprietary) as valuable educational resources improved access to which is in the public interest (for many reasons not the least of which is lower cost to the taxpayer for the education function).

Current federal programs have many of the characteristics previously suggested and are generating good results. Consequently, federal student aid related programs are under attack by many national organizations which consider themselves to be spokesmen for the public post secondary education sector. Organizations representing students -- and financial assistance for the needy -- as well as the public interest have been drowned out by the more vocal and better financed spokesmen for the institutional interests.

The problem in bringing about a change in the way we finance our education system is not difficult to perceive. It is that public policymakers in Congress and at the state level have looked to education administrators for advice on how to finance education. And education administrators have a vested interest in preserving, not changing, the present system. The challenge is how to get adequate information to the legislators who make education policy by the way they make appropriations, so that they may know what alternatives exist. This

means a public interest counter voice to the special interest of education administrators.

The changes will not take place as rapidly as those deeply concerned with equal opportunity would like. But that they will come now seems certain. The direction seems clear -- more emphasis on aid to students based on need. And the consequences seem equally certain -- more nearly equal opportunity.

DR. VAN ALSTYNE:

National commitment to achieving the goal of equal minority participation in higher education has been more rhetorical than real -- the gaps between white and black participation rates are closing very slowly, if at all, despite the enactment in 1972 of a major new federal program of Basic Grants to students for the express purpose of broadening access to public higher education. Currently the largest share of the funds for public higher education is provided by states channeled through institutions and made available in the form of low tuition to all students without calculation of the degree of need.

As a way of increasing access to higher education, several national study groups have advocated that tuitions at public colleges and universities be increased and that the added resources be redistributed within higher education so that more student aid will be channeled to low income students, of whom a disproportionate share are minority members.

A great debate was launched about financing higher education, with those who advocate accelerating the increases in tuitions at public institutions pitted against those who advocate holding tuitions as low as possible. Let me underscore that the stated objectives of both sides in this debate are exactly the same: to increase total support for higher education and to increase access to higher education for low income and for minority students. Further, both sides agree on the central facts: that the education participation rates

of whites and blacks are widely disparate -- the rate for whites is 40 percent higher than the rate for blacks; and the rate for students from families with incomes over $15,000 is about four times the rate for students from families with incomes under $3,000.

Given these areas of agreement, however, the two sides in the debate disagree sharply on three issues:

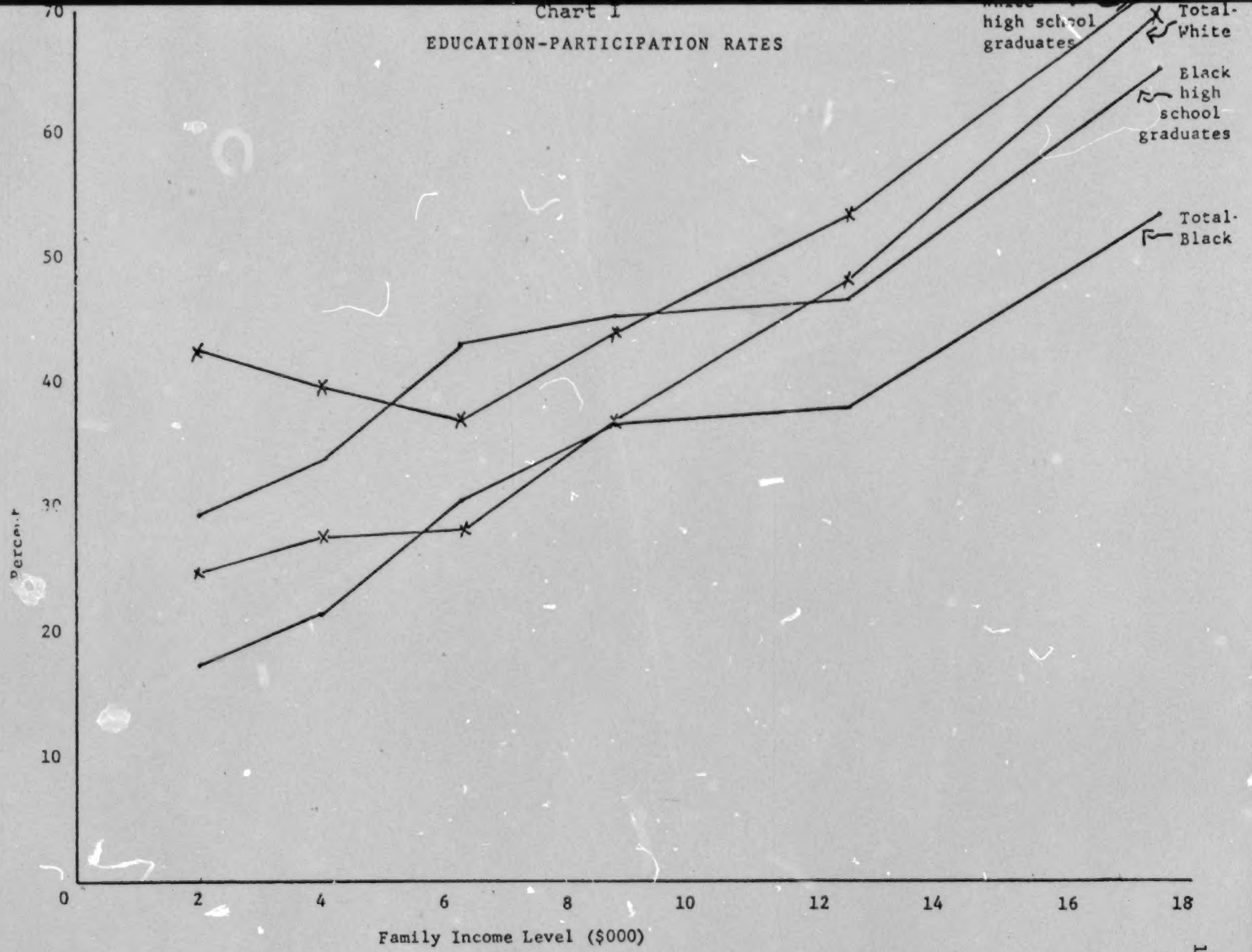
1. How the proposed increases in tuition with offsetting increases in student aid for low income students will affect enrollments across all income levels;
2. Where in our economic system the funds for student assistance ought to come from, and
3. However justified, whether it is politically feasible to refuse to accept forced trade-offs between educational and social objectives within the existing amounts budgeted for higher education at the state and federal levels, and instead to press effective claims for additional resources to compensate for the low income resulting from inequities in the larger social and economic system.

As a first step in developing resource allocation strategies to achieve equal minority participation, let us look at participation rates by race, across all income levels. The accompanying Chart 1 shows that participation rates differ sharply by income level for blacks and for whites. (Technically, education participation rates are the percentages of a specified base population going to school: shown here are the percentages of family members 18 to 24 years old who are going or who have gone to college, whether or not they got a degree. Actually, two different series are shown in Chart 1, one including all young people in the age group in the base population, and the other including high school graduates but excluding dropouts.

Several observations from this chart are important to this discussion:

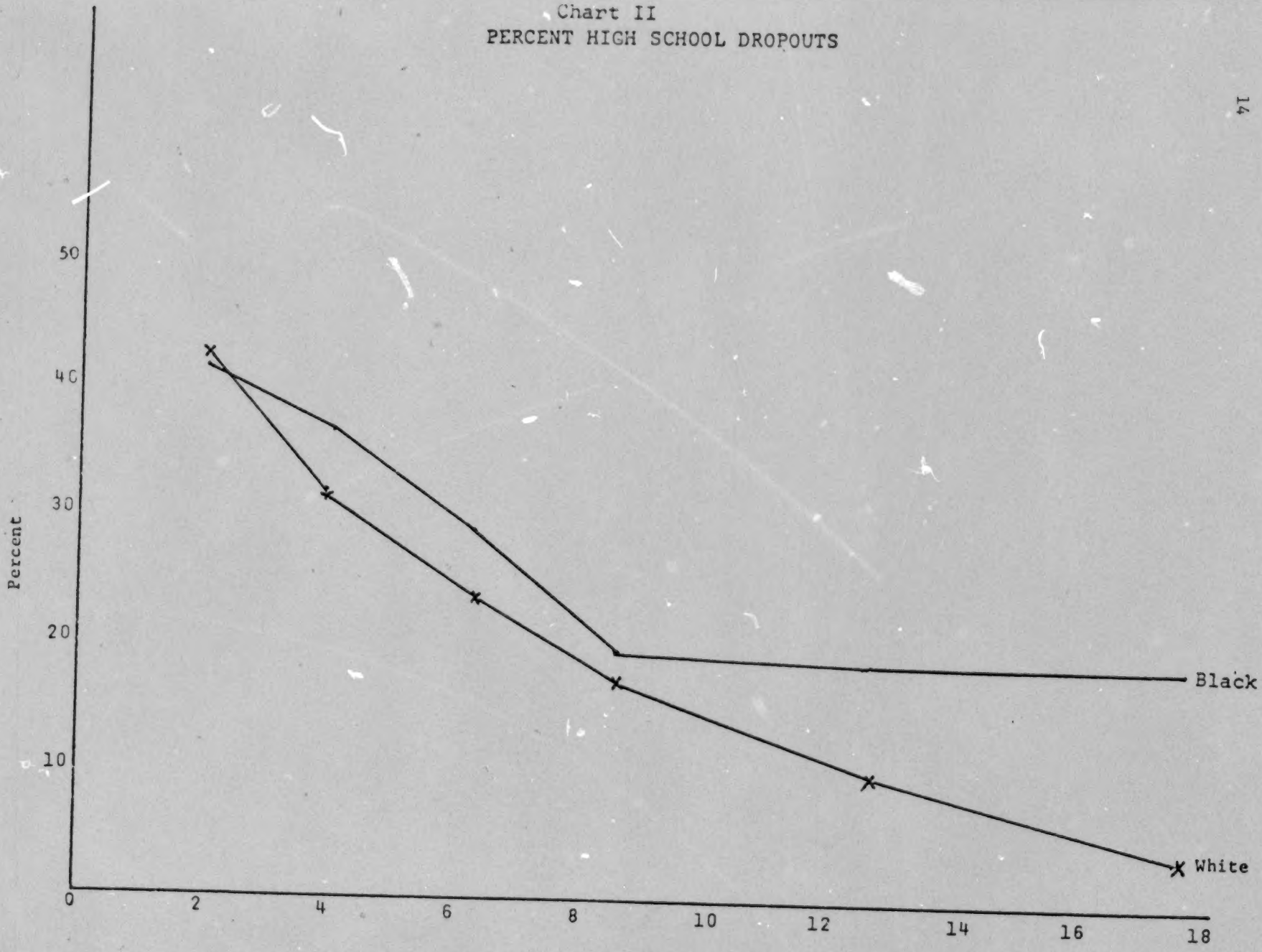
Chart I

EDUCATION-PARTICIPATION RATES



Sources: American Council on Education, Policy Analysis Service, based on U.S. Bureau of the Census, 1974.

Chart II
PERCENT HIGH SCHOOL DROPOUTS



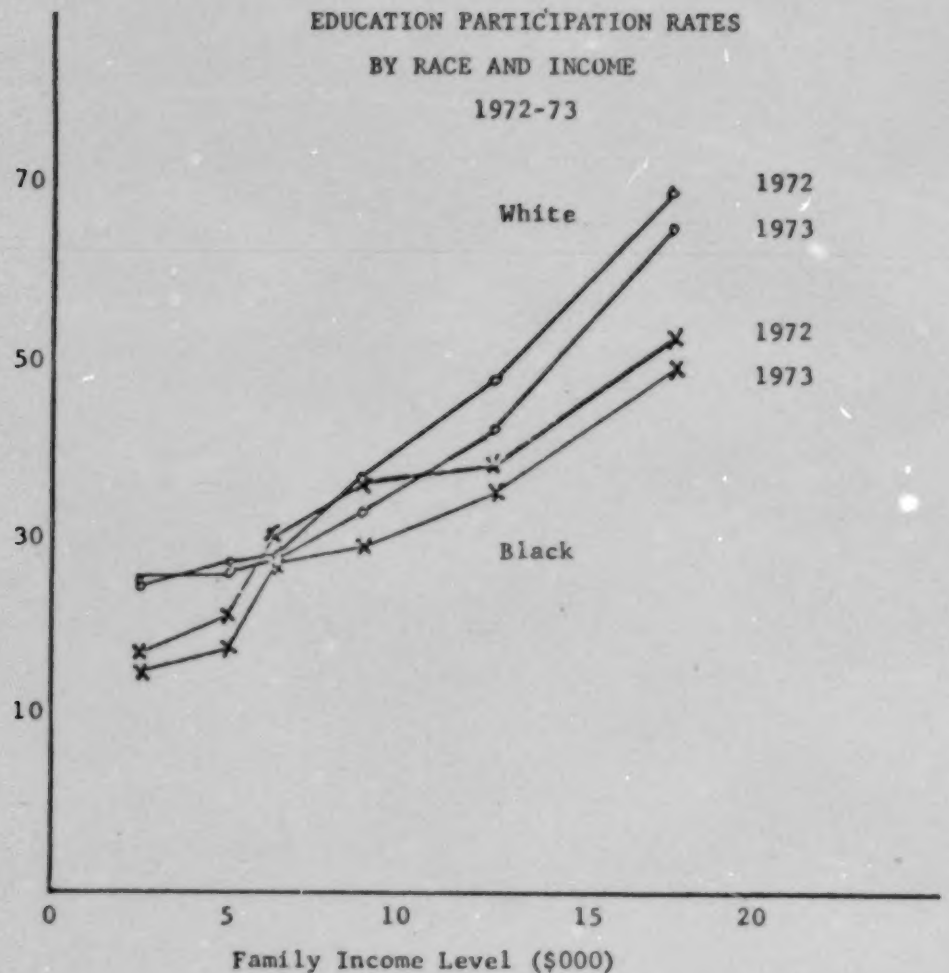
Sources: American Council on Education, Policy Analysis Service, based on U.S. Bureau of the Census data, 1974.

Chart 3

EDUCATION PARTICIPATION RATES

BY RACE AND INCOME

1972-73



Sources: American Council on Education, Policy Analysis Service based on U.S. Bureau of the Census, 1974.

In both series (including and excluding high school dropouts) the college-going rates for blacks are lower than they are for whites at both income extremes -- both for the lower income group (with family income under $6,000), and for the higher income group ($15,000 and over). If we can believe recent Census data, blacks in a middle income range around $6,000 to $10,000 are just about as likely to go to college as are whites in the same income range.

As one moves up the income scale the education participation rate for whites for the two groups (including and excluding dropouts) almost converge. But this doesn't happen at all for the black students. While the education participation rates go up in both series with increasing income, the rates do not converge at the upper income levels. In fact the disparity in education participation rates between black and white young people is greater in the higher income ranges than it is in the lower income ranges. As shown on Chart 2 the explanation appears to be related to the fact that while high school dropout rates decline as income goes up for white students, they remain high even for higher income black students.

When we talk about achieving equal minority participation, we must take into consideration not only those black students with lower family income but those with higher incomes as well. We must try to determine what impact raising tuition and offsetting it with increased student aid for low income students will have on access across the entire income spectrum.

I argue that the policy of raising tuitions for the purposes of generating greater student aid may have adverse effects at both ends of the income spectrum. Those with lower incomes are knowledgeably skeptical about whether the aid promised to them will actually be delivered, especially in an era when eligibility for aid is expanding to new groups of students (those attending part-time, and those attending a broader range of institutions), and to students

higher up the income scale, faster than appropriations for the aid programs is increasing so that the real dollars in the aid package to a low-income student may actually be less the second year of enrollment than the first, particularly when the funding for student aid has not taken the devastating effects of inflation into account. An increasing amount of funds labeled as "student aid" are actually paid directly to banks and other lenders as interest subsidies on student loans, and is not available to the students to pay for tuition, books, or living expenses. Moreover, all students, and particularly low income students are reluctant to saddle themselves with heavy debt to get through school; and they may be justifiably bitter that just as educational opportunity seems about to become available to them, the rules of the game respecting historical availability of low tuition public education are changed.

At the middle and higher income levels, the effects of raising tuitions on the decisions of black young people to go to college may be even more adverse. It is likely that in overcoming economic discrimination many black families in these income ranges got there because they have more people working, or people holding down two or three jobs, or because the students themselves are working part-time or full-time.

On the issue of where funds for student aid should come from, I would argue that we have a low tuition financing system for public higher education that has worked well, even phenomenally well, in broadening access for whites in the middle income and upper income ranges. The function of need-based student aid in broadening access is to compensate for low income. Compensating for low income is a social goal, a broader goal than an educational goal. The resources to compensate for the low income should be found within the system as a whole, and not taken out of the education system from higher tuition. These educational and social goals should be treated as complementary rather than competing goals.

On the issue of the political feasibility of finding additional resources, those favoring higher tuition argue that, however justified the claims for greater resources, no more resources are to be found in this era of limited resources and competing demands. Indeed, higher education may be required to manage with even fewer resources in the coming years. I argue, that before accepting that proposition, first higher education -- administrators, faculty, students, and alumni -- has to try to do a much better job of advocacy in the political domain.

This involves broadening the coalition in support of higher education -- not splitting it up. Advocacy by the private institutions of increasing tuition at public institutions threatened to pit the private sector against the public sector and is being rejected as a policy position by the private institutions who perceive that they share their destiny with the public institutions, and that other ways to help the private sector must be sought. And if tuitions are raised, middle income families perceive that they pay more for education and for student aid for which they are not eligible -- and that will pit middle income families openly against low income families.

Congressman O'Hara, Chairman of the House Subcommittee on Postsecondary Education, as an astute politician reflecting the concerns of his Michigan constituents has argued: "The American taxpayer has earned his reputation as one of the most patient and law abiding people in the world. He pays his taxes even when he isn't altogether sure he approves of what they are being used for. He...suspects, rightly or wrongly, that he is paying more taxes than his banker, his doctor, his lawyer, and perhaps even more than the academic economist who is pontificating on how well subsidized that taxpayer is. Tell that taxpayer that he has to help a little more to open the door to college for his own kids and everyone else's and he will grumble but he will help. But tell him that the sacrifice that he is already making and the new ones you want him to make

are not to help his kids, that he and his children are "too affluent" to need help and we may have a very vivid bicentennial observation of the Boston tea party."

B. Does the achievement of equal opportunity threaten other desirable goals? Must public policy alternatives compete in a time of scarce resources?

DR. VAN ALSTYNE:

The standard answer is yes, followed up with the observation that education is not going to come off very well in the competition given the other more pressing social needs in this country especially for improved health care. But this response is based on a static view of the world, looking at limited resources as measured at a point in time. A more comprehensive perspective would take a dynamic view of the world. Education would be seen not just as a consumer of resources but as a producer of resources.

Envisioning the set of choices as, for instance, education vs. health is critically short-sighted. Certainly higher education has a great deal to contribute to the search of new approaches to preventive medicine, to the discovery of wondrous new cures, to the training of doctors and nurses and paramedics, and to the delivery of community health care. At one prominent Southern university the university hospital is a larger part of the enterprise in terms of revenues and expenditures than the rest of the university of which it is a part. The limited-resources-competing-demands syndrome has to be counteracted with a greater appreciation of the public service functions of higher education and more active delineation of the complementarity among educational and social goals including, in particular, the goal of equal opportunity in establishing priorities for public support.

MR. HILL:

The response depends on the viewpoint and values of the respondent. For

example, if one considers institutional autonomy to require freedom from accountability for the use of public resources or freedom from the pressures of the market place, then institutional autonomy is a desirable goal which would suffer. If on the other hand autonomy means real freedom for an institution to rise or fall on its ability to attract and retain a student body, then that desirable goal would be enhanced.

Competition for scarce resources among various public policy alternatives is often within the education community. In such cases, the issues usually revolve around whose special interest will be served (i.e., vo-tech vs. graduate and professional education vs. student aid, etc.). The public interest (equal opportunity, effective resource utilization, etc.) tends to be obscured by institutional interests.

C. What are the most desirable policies of Southern states in support of higher education? Are there patterns over the last decade which should be preserved, or changed? What combination of tuition levels and student aid would be both politically realistic and effective in achieving equity?

DR. VAN ALSTYNE:

Higher education in the South is characterized by:

... low tuition,

... low college-going rates,

... less developed programs of student aid than are found in some other regions,

... relatively small private shares of enrollment,

... relatively high rates on in-migration of out-of-state students, and

... a large share of total minority student enrollment.

Discussions of tuition and student aid policies in achieving equal educational opportunity at the national level are relevant to these same issues in the South, but intensified.

In addition, Southern states have unique concerns in delineating the roles of historically black institutions. Improved planning and coordination at the state level is a better approach to these concerns than increasing student tuitions and student aid and relying still more heavily on market mechanisms.

Educators in the Southern states should analyze the impact of national policies on the region, paying particular attention to regional shares of resources allocated according to formulas, as compared to shares of resources channeled under entitlement programs.

MR. HILL:

There are no uniquely Southern patterns (as distinguished from national patterns) which seem to be particularly desirable. There are numerous national policies which are desirable which the South has yet to adopt. One of these is the establishment of comprehensive, statewide, needs based programs of financial assistance to students at public and non-public institutions. The South, lacking what is accepted practice in most other regions, might institute such a program by:

(a) Establishing an independent agency (independent of all educational institutions) to administer the program according to accepted national criteria (such as those of the CSS or ACT).

(b) Fund the program by (1) raising tuition at public institutions to one-half of actual educational cost and by (2) the sale of revenue bonds by the state student aid (and loan guarantee) agency to fully fund income contingent student loans.

(c) Meet the first $500 of annual need with an income contingent, guaranteed loan. Meet all remaining need with a grant. (The amount of the loan could be adjusted to meet available financial resources or resources could be increased or decreased as needed

to meet grant requirements.) Such a program would not be politically realistic at present in any Southern state. It could become realistic in the near term if enough persons in a given state really wanted to make the effort.

D. What share of the resouces should come from the federal government and in what combinations of programs? Are the present student aid programs in need of minor or drastic revision?

MR. HILL:

In economic terms, whether state or federal taxes are the source of public funding essentially is irrelevant as the ultimate source is the same -- the taxpayer. Pragmatically one must ask why disturb the present federal/state division when it is the distribution system rather than the total amount collected or the collector which most needs change. If the division were to be changed, one might argue for an increased state share through the baccalaureate level in exchange for a reduced share at the graduate and professional level (on grounds noted previously). Conversely the federal share might be reduced at the undergraduate level and increased at the graduate and professional level. Today's trends seem very appropriate -- a major extension of federal direct student financial aid programs based on need (e.g., BEOG) and incentives to states to fund comprehensive aid programs (e.g., SSIG). This combination is a politically realistic approach today to increase equal opportunity. Moreover, such federal efforts produce better results than would similar expenditures at the state level. This is because any federal program would collect taxes where the means are concentrated (outside the South) and redistribute them to where the less affluent (and black minorities) are concentrated, i.e., the South, and the minorities would get back more than its taxpayers would be assessed.

DR. VAN ALSTYNE:

In discussing resources for education we have to start by differentiating

between student resources and institutional resources. The federal share of student resources to meet tuition and living expenses has more than doubled in the last four years, from 13 percent to 29 percent. In 1974-75 the federal government provided $4.5 billion in assistance to students ($1.0 billion in Office of Education programs, $1.0 billion in Social Security and $2.5 billion in G.I. benefits toward total student expenses of close to $16 billion. A federal share of 29 percent might be considered very large until it is measured against the standard of the G.I. Bill at its peak year, 1947-48, when the federal share was 43 percent. At that time the G.I. Bill helped one out of every two students enrolled in higher education and provided about $1 billion assistance toward $2.3 billion expenses ($0.5 billion tuition and $1.8 billion living expenses).

The federal share of institutional resources has eroded substantially from earlier peaks of 20 to 22 percent in the 1950s and 1960s, reaching a post-war low of around 15 percent in 1970. Since that time, the share has increased slightly.

The criteria for the proper levels of support and the divisions of responsibility between the federal and state governments are on firmer ground if they are stated, not in terms of percentage shares, but rather in terms of dollars of support in relation to the achievement of particular program objectives, within a specified time frame. There is, of course, no absolute answer to the question of what the federal share should be. The percentage share is a residual calculation; and it varies from state to state, being particularly small in states with large state programs.

Within the current Administration, the federal role in undergraduate education is primarily defined as assuring greater access while the basic support of the capacity to educate is defined as being in the domain of the states.

Factors that should be taken into account in determining the desired

direction of change in the level of federal support include:

1. Fundamental beliefs about federalism and federal/state relations;
2. Changing resource bases of the different levels of government at different points in the trends and cycles of economic growth;
3. Roles assigned in achieving other social objectives;
4. Rates of state progress toward educational goals, and tolerance or intolerance of state-to-state disparities in education opportunity;
5. Impact of funding arrangements on student choice, institutional autonomy and pricing; and the dual public/private education system of higher education;
6. Impact of the funding arrangements on federal, state, institutional, and student incentives to increase or substitute educational budget resources in support of higher education.

Desirable directions of change would be more adequate federal aid to promote access, federal/state partnership to provide greater choice among educational alternatives, with the aid package relying more heavily on providing a greater proportion of grants and work opportunities and far less reliance on student loans.

E. Are there new problems to which minority groups should be alert, such as the question of the independent student and the constitutionality of student aid based on family contribution?

DR. VAN ALSTYNE:

There are new problems -- and opportunities as well -- in higher education of central interest to minority groups.

These are concerns on the horizon:

... Assuring adequate student aid, with adjustments for inflation. Basic Grants are moving closer to full funding and real entitlements; but eligibility for aid is moving up the income scale, possibly dilutin

the funds available to low income students;

... Assuring enough student aid to enable minority students to exercise choice among educational alternatives;

... The possible introduction of merit into the award of student aid under one of the categorical programs;

... Inability of college graduates to find jobs using their education;

... Sharp increases in the numbers of adults seeking a college education;

... Portability of federal student assistance funds which may provide resources for students to seek education out of their home state;

... A possibility that with the introduction of the all volunteer army the veterans' educational benefits will be discontinued.

MR. HILL:

The controversies relating to the direction of public funds to students at private institutions bear watching as so many minority students attend private colleges. If private colleges collapse, what happens to these students? The way an independent student is defined; the requirement of a family contribution (even when independent status is declared); administrative procedures which contravene legal definitions of in-state student status; methods of calculating need which are devised to give preference to middle income students; aid packaging which discourages a student from attending an institution, and distributions to regions, states and institutions which are not related to student aid needs characteristics, are all old problems to which minority groups should be alert.

But the most insidious (and longest standing problem) is that there is no effective organization which seeks to monitor higher education finance and equal opportunity for minorities -- or even for students as a whole. Minority educators like their majority counterparts tend to be institutionally oriented. No

one speaks effectively for the poor, for minorities, for students and for taxpayers. (Indeed one must ask whether anyone speaks for these groups at all -- even ineffectively?)

PART III

A CLOSER LOOK AT SOUTHERN STATE POLICIES AND PROGRAMS IN HIGHER EDUCATION

In another session, the discussion turned to state policies, particularly in respect to student aid. Dr. Jerry Davis, currently engaged in student aid research from a California base, and formerly a research associate for the Southern Regional Education Board and consultant on student aid to the Governor of Georgia, to other Southern states, and to the National Task Force on Student Aid Problems, presented an analysis of Southern state policies.

Additional data on the financial support provided public higher education by Southern states were prepared by Virginia Fleming, to provide background material for the Conference and documents which would illuminate current public policy discussions in these states.

State Financial Aid Programs and Student Access

Dr. Jerry S. Davis

There are probably as many barriers to post secondary education as there are individuals who want to go on to school but do not. Everyone has his own set of reasons (and rationalizations) for not achieving a desired goal. This is why it is particularly hard to remove all the barriers and achieve a condition of free access for everyone.

A few years ago, Richard Ferrin of the College Entrance Examination Board, classified the many barriers in four categories:

1. Academic - students don't have the appropriate grades or secondary school preparation to be admitted to some form of education;

2. Attitudinal - students either do not recognize the value of post secondary education or do not know that there are ways to surmount the barriers to it -- many just lack self-confidence;
3. Geographic - students live too far, either in miles or commuting time from an institution they can afford and could be admitted to; and,
4. Financial - students and their parents lack the financial resources to pay for the costs of education.

The financial barrier is the one that is most easily documented, described, and dealt with. It is quite difficult to repair 12 years of educational neglect or underachievement. Changing an individual's attitudes takes a long time. Building more colleges closer to more students is quite costly and also takes time. But the financial barrier can be removed by providing a student and his family with increased resources to pay for the costs of education.

Removing the financial barrier will produce some quite definite benefits. On the basis of a number of senior surveys and studies of student financial aid needs and resources in the 14 Southern states and seven states outside the South, I estimate that from 10 to 15 percent of the Southern state's high school graduating classes have the potential, the desire, and the credentials to go on to some form of post secondary education but are deterred by the lack of financial resources to help defray costs.

So, if the financial barrier were removed, something like two-thirds rather than one-half of the current high school graduating classes would be going on to more education. Many of these students would be minority/poverty students.

Providing students and families with increased resources for defrayal of education expenses will produce some desired benefits in addition to increased participation rates in post secondary education. From 10 to 25 percent of the students who currently go on to some education find their choices of institutions

and educational experiences substantially modified by costs or their lack of financial resources. Some go to institutions, take academic programs, or live in accommodations while attending school which are quite different from those they prefer. We cannot precisely document the influence of these sacrifices on educational performance. We can, however, infer from diverse evidence that these sacrifices substantially contribute to the "drop out" or "stop out" rates in education.

Each time that a student has to drop out or delay his education represents a reduction of benefits received for resources expended. The student and his family do not receive the maximum benefits for their investments of money, time, and other resources because the student hasn't earned his intended degree or level of training. The institution which enrolled the student does not receive the maximum return on its investment of instructional time and other resources because it has not produced its final end product, an educated and trained graduate. And society has not received a maximum benefit on its investments in providing educational institutions and experiences to its citizens. It is almost a certainty that the underutilization of all these resources represents a far greater cost to everyone than the cost of removing the financial barrier. But few educators and other policymakers are willing to recognize this fact.

At the bare minimum, you can safely say that the financial barrier significantly and negatively influences the post secondary activities or choices of at least one-third of all high school graduates at some point or another.

The magnitude and location of the financial aid barrier can best be described in terms of the concept "financial need." This is a quite useful concept because it combines the two important factors which create the barrier into a single numerical form. In its simplest form, financial need is the difference between the costs of education and the student and his family's ability to pay for those costs. Financial need can be reduced by either reducing costs or

increasing the financial resources of students and their families. There is a great deal of disagreement about which is the better way to reduce financial need, by keeping costs at a low level or by increasing the financial resources of students and parents by giving students financial aid. I'll make some further comments on this argument below.

Let me interject at this point that the financial need of an individual student is a real concept and has some definite psychological and social, as well as financial and educational consequences for him and his family. Financial need as measured by financial aid administrators and other public policymakers is a theoretical construct. The National Task Force on Student Aid Problems found many diverse practices in measuring educational costs.

While all financial aid programs consider and measure direct education expenditures (tuition and fees, books and supplies) in much the same way, there is a great deal of diversity in the measurement and legitimacy of other kinds of costs, such as room and board, medical and dental, personal and travel expenses. To the extent that some of these real costs to students are not measured in the same way or included as "legitimate" by financial aid programs, we cannot hope to achieve equity in the administration of aid. Nor can we remove this part of a barrier by ignoring it.

The Task Force also found many different practices of measuring student and parental ability to pay for educational costs. For example, the three major nationwide need analysis systems, those of the College Scholarship Service, the American College Testing Program, and the Basic Educational Opportunity Grant Program, take the same data and information about a family's financial circumstances and frequently produce quite different estimates of their ability to pay for educational costs. Not only are these differences confusing to students and parents, they result in amazing inequities in the distribution of public funds through financial aid programs.

Regardless of how costs or ability to pay are measured, the financial need of individual students remains constant and influential. It is only when policy-makers attempt to alleviate financial need that its consistent, valid, and reliable measurement becomes crucial. Therefore, the Task Force has recommended systems and practices for measuring costs and ability to pay which will achieve these objectives. Widespread use of these systems and practices will make a substantial contribution to more equitable distribution of student aid everywhere. They will also make it possible to better assess the real impact of financial need from the student's viewpoint. The figures I cite below are based on the Task Force's method of calculating need -- but the cost estimates were provided by financial aid officers on their annual Applications to Participate in Federal Student Aid Programs.

Using data assembled by the Stanford Research Institute in Menlo Park, California, I estimate that the financial needs of enrolled undergraduates in colleges and universities in the 14 Southern states in 1973-74 are nearly $1.5 billion. This represents an average need of $1,043 per student. For low income students (those from families of less than $9,000 annual income), the average financial need is $1,844 per student. (See Tables One and Two).

These figures take into account the ways in which students of widely differing financial circumstances distribute themselves among institutions of different costs. And they also take into account a reasonable expectation of family contributions and student self-help contributions from summer and term-time earnings. So, after his family's and his own contributions are considered, the typical low income student has to obtain nearly $2,000 to pay for the costs of his education.

The financial need varies quite dramatically from state-to-state in the region and within states by institutional types. For the low income student the least average need is $1,066 at public two-year colleges in Arkansas. The

highest average need is at the private four-year colleges in Maryland, $3,351.

Since costs are an important variable in financial need, I want to discuss them for a few moments. Southerners have long practiced and been prideful of a policy of maintaining lower tuitions at their public colleges. This policy has been emphasized in recognition of the general population's limited ability to pay for these costs. But today, as a policy and practice designed to enhance or even maintain access, low tuitions have limited utility. There are two reasons for this: 1) tuition costs represent only a small part of total costs; and 2) tuitions in the South are not all that low.

In 1972-73, the average tuition paid by students at public four-year colleges in the South was $460. The national average was $529. So, the Southern average was 13 percent less than the national average. Average total costs at Southern public four-year colleges were $2,349 or 11.5 percent less than the national average of $2,655. However, the ability to pay for those costs, as represented by per capita income was 13.7 percent less than the national average. In all but three states, Louisiana, Tennessee, and West Virginia, tuitions represented a higher percentage of per capita income in each Southern state than they did for states in the rest of the nation. In all but five states, Kentucky, Louisiana, Maryland, Texas, and Virginia, total costs represented a greater percentage of per capita income than in other states in the nation. (See Tables Three and Four.)

The costs at public two-year colleges in all but Louisiana, Maryland, and Mississippi, represent a higher percentage of per capita income than in other states in the nation. So much for the myth of lower tuitions and costs at Southern colleges.

Keeping tuitions at the lowest possible level is a good policy and is some help in achieving access. However, let no one persuade you that such a policy is THE SOLUTION to the problem and let no one persuade you that it represents

the best way for a state to exercise its responsibility for or commitment to access for low income students.

Tuition costs represent only part of the costs of education to students. Charging low income students no tuitions at all would reduce their financial need at public four-year colleges from 16.8 percent to 36.2 percent with the average in the South being 26.1 percent. Without tuition costs, the typical low income student would still have a $1,300 financial need to attend a public four-year college. (See Table Five.)

Low tuition policies are more likely to help middle income students. Tuition costs to them represent well over half their financial need. A reduction in tuition is unlikely regardless of who it might help. This is because it is quite costly to institutions. For example, if tuitions had been, in 1973-74, reduced at public four-year institutions by just ten percent the institutions would have lost over $50 million in revenue. Such a reduction would have reduced financial need by only about $50 per student, hardly enough to make any real difference in student access. A 50 percent reduction in tuition cuts the average need at public four-year colleges by about one-fourth but would "cost" over $250 million in lost revenue.

Because tuitions continue to increase at an annual rate that closely parallels the rates of increase in instructional costs; because they represent a significant amount, if not proportion, of income to virtually all public institutions; and, because they represent only part of the financial aid needs or total educational costs to students, I believe that policy recommendations regarding manipulations of or reductions in tuitions without correspondent changes in financial aid will have very limited impact on the needs of low income students. Therefore, I believe our efforts to remove the financial barrier to post secondary education should focus on financial aid.

There has been widespread discussion of proposals to increase the costs of

tuitions and offset the increase to the needy students by financial aid. The rationale underlying these proposals is that the more affluent students are getting a "bargain" in costs at public institutions and that by charging them more, new dollars in revenue for financial aid or other expenditure purposes could be generated. I do not believe that such a practice will work in the South because: 1) there are more needy than not-needy students in the region and tuition increases would generate more financial need than they would generate increased revenue, thereby defeating their purpose; 2) tuition increases are likely to drive the most affluent students to private institutions or institutions outside the South; and 3) shifting the burden of paying for more of the educational costs to a segment of the population who already pays more than their share of the costs for all public services is not a politically tenable solution.

The provision of financial aid to students is held to be an activity which is performed by a partnership among the federal and state governments, the institutions, and private agencies. All these partners have a stake in the educational development of our society and a responsibility to students. In addition to the benefits states derive from an educated populace, they are Constitutionally responsible for the education of their citizens. As we shall see, the extent to which Southern states exercise that responsibility through financial aid programs is quite varied.

I have already noted a financial need of $1.5 billion for enrolled undergraduates in the South. If one adds to that an estimated $150 million in need for the 10 to 15 percent of all high school graduates who want to go on to school but do not, the total financial need is $1.65 billion. Let's look first at the way the partnership attempts to meet that financial need and then examine what states should do to increase their role.

There is about $1.3 billion in financial aid from all sources available

to meet the financial need. The federal student aid programs provide $366.2 million or 29.1 percent. State and federal educational benefits (from the Veterans Administration, the Social Security Administration, vocational rehabilitation programs, welfare agencies) account for $631.6 million, or 48.7 percent. States provide $22 million or 1.8 percent, and the remainder, about one percent, is from private sources (businesses, organizations, churches, civic groups, etc.). Institutional aid amounts to $244.4 million or 19.4 percent.

That is a lot of money, but it only represents 80 percent of what is estimated as needed for everyone in the South. All that aid doesn't get distributed to needy students. Many institutional financial aid dollars are awarded to students on the basis of criteria other than or in addition to financial need. Many needy students attend institutions which control very limited amounts of financial aid dollars and enroll disproportionate numbers of needy students -- especially the two-year public colleges. And the educational benefits are, for the most part, not awarded on the basis of financial need.

When the ways in which financial aid and needy students are distributed among institutions are considered, the total need for additional aid increases from $391 million to $459 million. Put another way, because all the aid is not available to the needy students, and is not distributed in proportion to their need, the need for additional aid is inflated by 18 percent.

The need for additional aid varies by states and institutional types within states. In general, the largest unmet needs are at the private four-year colleges and universities. For the region, their unmet needs or need for additional aid represent about 44 percent of the total. This is primarily because of their higher costs and the enrollment of many low income students. The private four-year colleges enroll only one of every five students in the South. That is lower than the national average. But they enroll one out of every six low income students. That is higher than the national average. As you realize,

many of these low income students are black students enrolled in predominantly black colleges.

There are three types of aid -- grants or scholarships, loans, and work-study or employment awards. With regard to increasing access, the grant awards have by far the most significant impact and are most desirable to students. Students next prefer employment and then, as a last resort, loans. So, if we want programs which will most quickly enhance access, we should develop grant programs, then work, and finally, loans.

Many Southern states have both grant and loan programs. North Carolina, Virginia, and Arkansas have work programs that operate on a statewide basis but they are operated with a minimum of state dollars. While employment awards are good and more desirable to students than loans, they have problems. One, they are difficult to administer on a statewide basis. Two, minority/poverty students who have to rely on employment frequently sacrifice much needed extra time for academic preparation. Three, the magnitude of financial need at most institutional types is such that it is estimated that students would have to work from 20 to 35 hours per week in order to meet their need for additional aid. Finally, the kinds of jobs that students typically receive in work-study programs are frequently jobs which in this region would go to heads of very low income families. So, expansion of work programs with jobs like most programs now feature is likely to increase unemployment in segments of the population who most desperately need jobs.

All but three states, Alabama, Mississippi, and West Virginia, have agencies which offer guaranteed loans to students through the Federal Guaranteed Student Loan Program or their own auspices. These programs provide substantial amounts of loan dollars to undergraduates, an estimated $125 million in 1972-73 that might not otherwise be available to students from private sources. Where there are guarantee agencies, banks, savings and loan agencies, other private

sources are much more willing to make loans to students. I strongly recommend that all states develop guarantee agencies or loan programs to help elicit support from private sources.

Loan programs make a dramatic difference in the educational plans of middle income and more affluent students and they help to enhance a student's freedom of choice of institutional types of education. But they are of limited utility in enhancing access of low income students. This is primarily due to reluctance of low income students to accept initial loans and the fact that many enrolled students have already received aid packages which contain large loans. When state and federal aid programs really emphasize loan programs, students can be forced to incur very large amounts of total indebtedness for their undergraduate careers.

Grant programs are the most effective in increasing access, especially if they are awarded on the sole criterion of financial need.

Most Southern states have had experience with grant programs of one kind or another. But until recent years, these programs were almost exclusively of the type known as "categorical" aid programs.

Categorical aid programs are designed to assist specific categories of students, for example, students in teacher education, medical or health professions, or children of deceased veterans, policemen, or firemen. In other words, a student has to meet criteria other than or in addition to financial need in order to qualify for assistance from these programs.

Prior to the 1970's, only Florida, Maryland, and West Virginia had needs-based comprehensive grant programs. By "comprehensive," I mean without the requirement of a specific vocational preparation career choice, or military service related requirement. Some other states had scholarship programs but these were not needs-based or were administered through institutions. The Florida, Maryland, and West Virginia programs were based on need but were

also awarded on the basis of indication of academic promise, usually scores on some test. Awarding grants on the basis of scholarship helps to enhance the likelihood of the state receiving benefits from the awards -- the more academic promise a student shows, the more likely he will graduate. But they do little to increase many minority/poverty student's freedom of access to college. This is because many do not do well on tests on which receipt of an award is based. A non-competitive, needs-based, comprehensive program is much better.

In the 1970's, more Southern states began to develop comprehensive grant programs but they also developed another type of grant program -- the tuition equalization grant program. These are programs which are designed to offset the higher costs of tuitions at private colleges. In 1974-75, Georgia, North Carolina, South Carolina, Texas, and Virginia had some kind of tuition equalization program. Dollars available from these programs are awarded exclusively to private college students and amount to nearly $27 million.

The Georgia and North Carolina programs are not strictly based on need. The Georgia program involves a straight $400 per capita grant to colleges in behalf of every resident undergraduate enrolled. North Carolina's program provides $200 per resident to institutions that contract and agree to match the $200 and award the total amounts to needy undergraduates, not necessarily the student in whose behalf the grant was paid to the institution. The Virginia program provides awards to students that are "grants" if the students remain in the state and meet certain employment requirements after graduation. If the student does not fulfill his obligation, the "grant" becomes a repayable loan.

The South Carolina and Texas programs are needs-based awards direct to students. The maximum award in the South Carolina program is $1,500 per year; the Texas maximum is $600 or no more than tuition at a public college.

In each of these states persuasive arguments for tuition equalization programs have been made. Tuitions are higher at private colleges and needy

residents cannot as easily afford their costs as they can those of public institutions. Private colleges educate a significant number of residents whose attendance at public institutions (which receive per FTE appropriations which are generally larger than the grants) would be more costly to the states. Private colleges are at a substantial market disadvantage due to their higher prices and, consequently, some are in financial difficulty which can be alleviated by adequate tuition grants and consequent enrollment of more students. And, finally, maintenance of a viable system of public and private institutions strengthens all of post secondary education.

Data exist to support rather conclusively only part of these arguments -- that tuition costs are higher and that some private colleges are in financial difficulty. There is very little empirical data to conclusively demonstrate that tuition equalization programs make a significant difference in student attendance at private colleges; that students who receive the grants would not have gone to these colleges anyway; that the programs have a significant impact on the fiscal vitality of the institutions; that attendance at public colleges would cost the state more considering that many institution's current facilities and instructional resources are underutilized; or, that maintenance of a system of public and private education strengthens all of post secondary education. I will admit that there is little evidence to disprove the arguments either.

I believe that needy students should receive awards to be spent at institutions of their choice. Needs-based grants equalize costs and permit students to choose where they will attend. If institutions' programs are attractive and money is generally available, students will attend them. Because the evidence is so limited, and because monies appropriated for private college tuitions equalization programs could be used for all needy students, I would strongly recommend that these grant programs be modified to award needs-based grants directly to all students, regardless of the type of institution they might

prefer to attend.

In 1974-75, seven states, Florida, Georgia, Kentucky, Maryland, Tennessee, Virginia, and West Virginia had comprehensive state grant programs which awarded needs based grants to students at both public and private colleges. Awards from these programs totaled over $12.8 million. The largest were in Florida, $4.8 million, and in Tennessee, $3.6 million. Significantly, these two states were the only ones whose average awards to students were greater than the cost of tuition at the public colleges.

Counting the South Carolina and Texas programs for private colleges as comprehensive programs, nine of the 14 states had operational grant programs in 1974-75 and they dispensed an estimated $[illegible].4 million in aid.

Arkansas and Mississippi have new programs which are not yet operational but should begin this year with at least $110,408 and $164,366, respectively in funds from the new Federal State Student Incentive Grant Program, a program which awards funds to states on a matching basis for use in comprehensive grant programs. Assuming that the funds will at least be matched, another one-half million will be added to the total available from state programs.

Alabama, Louisiana, and North Carolina have pending programs which, if legislative and administrative details can be worked out, will add another estimated $1.5 million dollars to the total. So next year, we might anticipate a grand total of perhaps $28 million to be available in all the 14 Southern states.

How do we evaluate these activities? There are at least two ways to evaluate state efforts in student aid. We can, like the country preacher who uses the standards of the Good Book to evaluate the behavior of his flock, weigh the efforts of states against some common standard. The standard would be the extent to which the states meet the financial needs of their citizens with dollars and programs which have the most impact on access. Or we can, like the

members of the country preacher's flock, who evaluate their own behavior on the basis of what everyone else is doing, simply compare Southern state efforts against what other states are doing. I prefer the country preacher's criterion of doing what is needed and right, but unfortunately most policymakers and politicians want to do no more than anyone else is doing. Therefore, we shall look at how the South compares with other states.

We can use the standard of meeting the financial aid needs of enrolled students in each state as our measure. In 1974-75, 36 states including the nine in this region had comprehensive grant programs. The largest by far were in Pennsylvania, Illinois, New Jersey, New York, and California. When we compare the size of their aid programs with the amount of financial aid needed in each state, we find that, on the average, states with financial aid programs met 6.7 percent of the total financial aid needs in their states. But because the first four states mentioned above met more than 14 percent of their students' needs and many more met far less, the median percentage is 3.2 percent. (See Table Six.)

South Carolina, West Virginia, and Tennessee all had programs whose total dollars awarded exceed the median. Although South Carolina's program is for private college students only, it met 7.1 percent of the financial aid needs in the state. That gives it a ranking of twelfth out of 36. The average for the nine Southern states with programs was 2.5 percent.

If next year all Southern states developed or expanded existing comprehensive grant programs to reach the level of the national median, $48.1 million dollars would be available to students. This would represent an increase of nearly $25 million in financial aid in the region, an amount of substantial significance. The largest appropriations would be required in North Carolina and Maryland, $4.1 million and $2.9 million, respectively. (See Table Seven.)

I began by noting that the financial barrier is the one barrier to access

which is most easily documented, described, and dealt with. I hope that I have documented and described its nature and magnitude for you. In closing, I would like to offer some recommendations which would undoubtedly go a long way toward dealing with it.

1. In order to provide for more equitable distribution of student financial aid dollars in the South, state and institutional financial aid programs should implement the recommendations of the National Task Force on Student Aid Problems, especially those regarding the measurement of costs and ability to pay for those costs.
2. In order to enhance participation in financial aid programs by the private sectors of the economy, every state should develop and/or expand its guaranteed loan agency.
3. In order to enhance freedom of access to post secondary education and meet its commitment to its citizens, every state should develop and expand its comprehensive grant program to the minimum level of funding represented by the national median of 3.2 percent of their enrolled students' needs. This step should take place in the coming year.
4. In order to achieve the maximum utilization of all its student aid funds, states should discontinue all categorical aid programs and use funds for those programs to support the comprehensive grant program.
5. In order to maximize its own efforts in student aid, states should make every possible effort to target the awards from their grant programs so they will supplement and complement aid from the other sources.

TABLE ONE

Full-Time Equivalent Undergraduate
Enrollment, Aggregate Financial Need,
Available Aid, and Unmet Need
Southern Region, 1972-73
(Amounts in 1,000s)

Institutional Type	Enrollment	Need	Available Aid	Unmet Need
4-Year Public	893.17	$ 775,852	$ 723,569	$199,744
2-Year Public	241.69	189,112	196,453	47,401
4-Year Private	273.68	502,559	311,094	201,380
2-Year Private	27.50	30,934	27,594	10,478
TOTAL	1,436.04	$1,498,457	$1,258,710	$459,003

Institutional Type	Enrollment	Need	Available Aid	Unmet Need
4-Year Public	62.2	51.8	56.0	43.5
2-Year Public	16.8	12.6	13.3	10.3
4-Year Private	19.1	33.5	28.4	43.9
2-Year Private	1.9	2.1	2.3	2.3

Source: Stanford Research Institute, Menlo Park, California

Table Two

Average Financial Need Per Full-Time Equivalent Undergraduate Student, Low Income Students[1], By Institutional Types 1972-73

State	Public 4-Year	Public 2-Year	Private 4-Year	Private 2-Year
Alabama	$1,969	$1,324	$2,385	$1,980
Arkansas	1,462	1,066	1,836	1,291
Florida	2,233	1,459	3,492	2,530
Georgia	1,863	1,767	3,132	1,710
Kentucky	1,418	-[2]	2,190	1,742
Louisiana	1,378	1,580	3,160	NA
Maryland	2,037	1,585	3,351	2,608
Mississippi	1,604	788	2,037	1,504
North Carolina	1,845	1,284	2,881	1,861
South Carolina	2,007	1,584	2,446	1,652
Tennessee	1,734	1,187	2,742	1,727
Texas	1,697	1,395	2,828	1,788
Virginia	1,829	1,795	2,793	2,473
West Virginia	1,546	1,260	2,491	1,235
Region	$1,759	$1,391	$2,697	$1,854
Nation	$1,942	$1,574	$3,253	$2,289

[1]Low income students are those from families with incomes of less than $9,000 per year.

[2]Data for two-year public colleges in Kentucky are combined with four-year public colleges.

Source: Stanford Research Institute, Menlo Park, California

TABLE THREE

Weighted Average Tuitions and Costs
at Public Colleges, 1972-73[1]

State	Public 4-Year Tuition	Public 4-Year Costs	Public 2-Year Tuition	Public 2-Year Costs
Alabama	$491	$2,548	$206	$1,662
Arkansas	411	2,040	281	1,615
Florida	564	2,828	259	2,011
Georgia	479	2,449	323	2,317
Kentucky	514	2,017	-[2]	-
Louisiana	301	1,962	208	1,599
Maryland	645	2,629	667	2,158
Mississippi	469	2,181	233	1,316
North Carolina	455	2,432	129	1,824
South Carolina	581	2,608	283	2,107
Tennessee	372	2,327	174	1,729
Texas	285	2,284	241	1,924
Virginia	592	2,432	229	2,339
West Virginia	291	2,145	245	1,802
Region	$460	$2,349	$267	$1,876
Nation	$529	$2,655	$405	$2,094

[1]Weighted by proportions of students paying those costs.

[2]Data for two-year public colleges in Kentucky are combined with four-year public colleges.

Source: Stanford Research Institute, Menlo Park, California

TABLE FOUR

Public Tuition and Costs
as a Percentage of
Percapita Income, 1972-73

State	Per Capita Income in 1973	Public-4 Tuition/PCI	Public-4 Costs/PCI	Public-2 Tuition/PCI	Public-2 Costs/PCI
Alabama	$3,724	.133	.684	.056	.446
Arkansas	3,680	.111	.554	.076	.439
Florida	4,647	.121	.609	.056	.433
Georgia	4,243	.113	.577	.076	.546
Kentucky	3,967	.130	.508	*	*
Louisiana	3,825	.079	.513	.054	.418
Maryland	5,331	.121	.493	.125	.405
Mississippi	3,448	.136	.633	.068	.382
North Carolina	4,120	.110	.590	.031	.443
South Carolina	3,817	.152	.683	.074	.552
Tennessee	3,946	.094	.590	.044	.438
Texas	4,336	.125	.527	.056	.444
Virginia	4,715	.126	.516	.049	.496
West Virginia	3,828	.076	.560	.064	.471
Region	$4,246	.108	.553	.063	.442
Nation	$4,918	.108	.540	.082	.426

* Data for two-year public colleges in Kentucky are contained with data for four-year public colleges.

Sources: Stanford Research Institute, Menlo Park, California
Current Population Reports, Series P-25, No. 488.

TABLE FIVE

Tuitions as a Percentage of Financial Need, Low Income Students, 1972-73[1]

State	Public 4-Year Tuition/Need	Public 4-Year Need After Tuition	Public 2-Year Tuition/Need	Public 2-Year Need After Tuition
Alabama	.249	$1,478	.156	$1,118
Arkansas	.281	1,051	.264	785
Florida	.253	1,669	.176	1,210
Georgia	.257	1,384	.183	1,444
Kentucky	.362	904	-[2]	-
Louisiana	.218	1,077	.132	1,372
Maryland	.317	1,392	.421	918
Mississippi	.292	1,135	.296	555
North Carolina	.247	1,390	.100	1,155
South Carolina	.289	1,426	.179	1,301
Tennessee	.215	1,362	.147	1,013
Texas	.168	1,412	.173	1,154
Virginia	.324	1,237	.128	1,566
West Virginia	.188	1,255	.194	1,015
Region	.261	$1,299	.196	$1,124
Nation	.272	$1,413	.257	$1,169

[1]Low income students are those from families with incomes of less than $9,000 per year.

[2]Data for two-year public colleges in Kentucky are combined with four-year public colleges.

Source: Stanford Research Institute, Menlo Park, California

TABLE SIX

Rank Order of State Comprehensive Grant Program Awards, As a Percentage of Total Financial Need States With Programs

Pennsylvania	.191	Missouri	.032
Illinois	.177	Washington	.031
New Jersey	.166	Massachusetts	.031
New York	.145	Oregon	.029
Wisconsin	.097	Connecticut	.026
Colorado	.084	Florida	.025
Vermont	.079	Texas	.024
Indiana	.077	North Dakota	.016
Minnesota	.077	Georgia	.012
Michigan	.076	South Dakota	.011
Iowa	.073	Maine	.010
South Carolina	.071	Kentucky	.009
Ohio	.062	Virginia	.008
California	.058	Nebraska	.007
Kansas	.056	Oklahoma	.006
Rhode Island	.038	Delaware	.006
West Virginia	.036	Maryland	.003
Tennessee	.033	Idaho	.002

National Average	.067
Southern States Average	.025
Median Percentage	.032

Source: National Association of State Scholarship Programs, 1974-75 Under-Graduate State Scholarship/Grant Programs.

TABLE SEVEN

Comprehensive Grant Program Dollars Needed to Meet the National Median Percentage of Student Financial Aid Needs (Amounts in $1,000s)

State	Available Dollars in 1974-75	Dollars Needed	Increase Necessary
Alabama	$ 0	$ 2,679	$ 2,679
Arkansas	110[1]	1,210	1,100
Florida	4,864	6,135	1,271
Georgia	1,186	3,195	2,009
Kentucky	555	1,836	1,281
Louisiana	0	2,902	2,902
Maryland	321	3,267	2,946
Mississippi	164	1,637	1,573
North Carolina	406	4,493	4,087
South Carolina	6,080	2,736	-
Tennessee	3,618	3,494	-
Texas	7,500	9,996	2,496
Virginia	800	3,193	2,393
West Virginia	1,500	1,324	-
Region	$27,104	$48,097	$24,737

[1]Dollars allocated in 1974-75 from the Federal State Student Incentive Grant Program.

[2]Programs are exclusively for private college students.

Source: Stanford Research Institute, Menlo Park, California

National Association of State Scholarship Programs, 1974-75 Undergraduate State Scholarship/Grant Programs.

Some Documents on Educational Finance in the South

Virginia Fleming

A. Facts About Educational Achievement, Income, Taxes, and Educational Appropriations in Southern States

Southern states are generally -- and in some cases dramatically -- behind the national average in graduating their young people from high school; in four Southern states a third of the ninth graders do not graduate (Table 1). Southern states are also on average somewhat below the national standard in the number of high school graduates who attend college (Table 2). Note that in some cases states with a high drop-out rate in high school send a relatively large number of their high school graduates to college (Mississippi and Florida). In other states a seriously high drop-out rate is combined with a very low percentage of graduates going on to college (Georgia, Alabama, Arkansas).

Southern states generally have lower personal incomes, and lower tax bases and revenues (Tables 3, 4 and 5). It is also true that Southern states do not tax themselves at a rate much above the national average to compensate for these lower revenues; in fact, about half the Southern states tax themselves at a rate below the national average. (Table 5, and E. Galambos, State and Local Taxes in the South, 1973, Southern Regional Council, Atlanta)

The South is well behind the national average in providing higher education places in public colleges for its young people. Table 6 shows the ratio of its own college-age population that each Southern state enrolls. Table 7 shows what proportion of its young people go to college in any state. Clearly college-age youth in Southern states have far less higher education opportunity than those in other regions.

Southern state appropriations for higher education are increasing at a faster rate than other regions. (Table 8)

When compared with the relatively low personal incomes of their citizens, or with the relatively low state tax revenues, Southern state appropriations are generally above average. Pennsylvania, Virginia, Maryland and Tennessee are exceptions, making low efforts by both measures. (Tables 9, 10 and 11)

Southern states appropriate somewhat more dollars per student for whom they do provide a place. This support tends to keep tuitions in Southern public colleges somewhat below average. (Table 12)

A key comparison, however, is between the dollars provided and the number of college-age youth in the population, or between this appropriated dollars and the entire state population. In both respects, Table 12 indicates that Southern states are far behind the national average.

TABLE 1

PUBLIC HIGH-SCHOOL GRADUATES IN 1972-73
AS PERCENT OF NINTH-GRADERS IN FALL 1969

Pennsylvania	85.9
Maryland	79.5
Oklahoma	77.3
Virginia	74.6
West Virginia	73.9
Tennessee	71.6
South Carolina	70.8
Kentucky	69.1
Texas	68.7
North Carolina	68.5
Louisiana	67.9
Arkansas	66.9
Florida	65.3
Alabama	64.8
Georgia	63.5
Mississippi	56.2
National Average	76.8

Source: National Education Association - Research: Rankings of the States, 1974

Table 2

Total college enrollment as a percent of population aged 18-21 and 18-24, 1960; total college enrollment as a percent of population aged 18-24, 1972 and 1980; students entering college in 1972 for first time as a percent of high school graduates in 1972

State	1960		1972	1980 (Est.)	Students Entering College as a Percent of High School Graduates 1972
	18-21	18-24	18-24	18-24	
United States	39.2	23.1	36.2	40.8	57.9
SREB States	28.0	16.8	28.6	33.8	55.3
Alabama	24.9	15.0	27.7	31.4	53.3
Arkansas	26.3	16.5	23.9	22.8	47.5
Florida	27.7	16.0	32.2	39.7	62.7
Georgia	21.5	12.8	22.0	30.0	44.2
Kentucky	27.6	16.7	25.4	23.6	43.6
Louisiana	31.8	19.1	28.2	28.6	52.1
Maryland	33.2	19.4	33.4	39.1	55.2
Mississippi	26.8	17.1	29.0	25.3	69.9
North Carolina	23.9	14.6	27.2	32.7	53.9
South Carolina	19.8	12.5	24.7	27.0	56.9
Tennessee	30.5	18.6	28.9	33.0	53.2
Texas	34.9	20.5	32.0	39.7	57.4
Virginia	23.4	14.0	26.5	36.6	63.1
West Virginia	30.9	19.0	31.0	31.3	55.4

SOURCES: *U.S. Census of Population*, 1960; *Current Population Reports*, Series P-25, No. 479 (March, 1972); U.S. Office of Education, *Opening Fall Enrollment*, 1969 and 1973 preliminary data; *Digest of Educational Statistics*, 1973. College enrollment for 1980 projected by SREB. Projection of 1980 population from Table 5.

Source: Southern Regional Education Board, Fact Book on Higher Education in the South 1973 and 1974 (Atlanta, 1974)

TABLE 3

Per capita personal income, 1955, 1965, 1973; percent increase 1955-1973

State	1955	1965	1973	Percent Increase 1955-1973	Percent Increase 1965-1973
United States	$1,876	$2,770	$4,918	162.2	77.5
SREB States	1,416	2,225	4,246	199.9	90.8
South as a Percent of U.S.	75.5	80.3	86.3	...	...
Alabama	1,233	1,965	3,724	202.0	89.5
Arkansas	1,142	1,885	3,680	222.2	95.2
Florida	1,620	2,381	4,647	186.9	95.2
Georgia	1,375	2,183	4,243	208.6	94.4
Kentucky	1,328	2,087	3,967	198.7	90.1
Louisiana	1,396	2,119	3,825	174.0	80.5
Maryland	1,602	2,962	5,331	232.8	80.0
Mississippi	1,020	1,669	3,448	238.0	106.6
North Carolina	1,313	2,077	4,120	213.8	98.4
South Carolina	1,181	1,897	3,817	223.2	101.2
Tennessee	1,281	2,068	3,946	208.0	90.8
Texas	1,667	2,404	4,336	160.1	80.4
Virginia	1,571	2,426	4,715	200.1	94.4
West Virginia	1,326	2,088	3,828	188.7	83.3

SOURCES: *Current Population Reports*, Series P-25, No. 145 (October 19, 1956), No. 351 (October 18, 1966) and No. 488 (September, 1972); U.S. Department of Commerce, *Survey of Current Business*, April, 1974.

Source: Southern Regional Education Board, Fact Book on Higher Education in the South 1973 and 1974 (Atlanta, 1974)

TABLE 4

PER-CAPITA PERSONAL INCOME

SOUTHERN STATES 1972

	Dollars Per-Capita	As Percent of National Average
Maryland	4,882	108.68
Pennsylvania	4,465	99.4
Florida	4,378	97.5
Virginia	4,298	95.68
Texas	3,991	88.8
Georgia	3,909	87.0
North Carolina	3,799	84.6
Oklahoma	3,795	84.5
Tennessee	3,671	81.7
Kentucky	3,609	80.3
West Virginia	3,594	80.0
Louisiana	3,543	78.9
South Carolina	3,477	77.4
Alabama	3,420	76.1
Arkansas	3,365	74.9
Mississippi	3,137	69.8
National Average	4,492	100.0

Source: National Education Association - Research: Rankings of the States, 1974

TABLE 5

	Per-Capita State Tax Revenue, 1973	State Tax Revenue in 1971-72 As percent of Personal Income in 1972
Pennsylvania	366.95	7.3
Maryland	357.74	6.4
Florida	324.06	6.3
West Virginia	316.76	8.3
North Carolina	314.33	7.4
Louisiana	309.69	8.4
Kentucky	303.84	7.2
South Carolina	302.82	7.3
Virginia	291.04	5.9
Mississippi	289.91	8.3
Georgia	283.72	6.5
Alabama	263.07	[illegible]
Oklahoma	260.88	6.9
Arkansas	256.77	6.9
Tennessee	243.90	6.0
Texas	239.02	5.5
National Average	324.91	6.4

Source: National Education Association - Research: Rankings of the States, 1974

TABLE 6

RATIO OF RESIDENT UNDERGRADUATE STUDENTS ENROLLED IN STATE OF RESIDENCE TO NUMBER OF 18- to 21-YEAR-OLDS IN STATE (1968)

State	Students Enrolled in own state	Number of 18- to 21-year-olds	Ratio
Alabama	71,750	254,700	.28
Arkansas	38,847	133,000	.29
Florida	134,269	424,800	.32
Georgia	73,069	352,900	.21
Kentucky	62,032	229,600	.27
Louisiana	87,815	268,600	.33
Maryland	73,725	275,600	.27
Mississippi	51,413	170,600	.30
North Carolina	81,041	385,200	.21
Oklahoma	72,486	171,500	.42
Pennsylvania	231,100	731,300	.32
South Carolina	32,503	210,900	.15
Tennessee	75,641	277,800	.27
Texas	285,976	814,800	.35
Virginia	66,964	371,100	.18
West Virginia	34,593	121,400	.28
National Average	4,735,730	13,809,000	.34

Source: Carnegie Commission on Higher Education, The Capitol and the Campus (McGraw-Hill, Berkeley, April 1974)

TABLE 7

RATIO OF RESIDENTS OF STATE ENROLLED AS UNDERGRADUATES IN ANY STATE TO NUMBER OF 18- TO 21-YEAR-OLDS IN STATE (1968)

State	Student Residents	Number of 18- to 21-year-olds	Ratio
Alabama	80,648	254,700	.32
Arkansas	44,682	133,000	.34
Florida	160,444	424,800	.38
Georgia	86,835	352,900	.25
Kentucky	71,834	229,600	.31
Louisiana	94,331	268,600	.35
Maryland	99,404	275,600	.36
Mississippi	56,435	170,600	.33
North Carolina	90,529	385,200	.24
Oklahoma	79,095	171,500	.46
Pennsylvania	294,698	731,300	.40
South Carolina	41,993	210,900	.20
Tennessee	86,045	277,800	.31
Texas	302,136	814,800	.37
Virginia	97,698	371,100	.26
West Virginia	39,615	121,400	.33
National Average	5,632,266	13,809,000	.41

Source: Carnegie Commission on Higher Education, The Capitol and the Campus (McGraw-Hill, Berkeley, April 1974)

TABLE 8

State operational appropriations for higher education, 1963-64, 1971-72 and 1973-74: percent increase, 1972-1974 and 1964-1974

State	Appropriations ('000's)			Percent Increase	
	1963-64	1971-72	1973-74	1972-1974	1964-1974
United States...	$2,182,473	$7,710,319	$9,657,997	25.0	342.5
SREB States...	560,720	2,118,895	2,732,314	28.9	387.3
South as a Percent of U.S....	25.7	27.5	28.3	...	...
Alabama.....	29,133	106,807	147,526	38.5	406.4
Arkansas.....	20,369	52,177	73,411	40.5	260.5
Florida.....	68,143	247,540	346,056	40.0	408.0
Georgia.....	35,270	162,953	218,660	34.3	520.0
Kentucky.....	32,164	120,489	148,214	23.0	360.8
Louisiana.....	55,847	139,916	158,855	13.5	184.5
Maryland.....	34,812	141,913	172,826	21.8	396.5
Mississippi.....	19,873	84,112	112,868	34.3	468.0
North Carolina..	46,768	223,486	287,115	28.5	514.0
South Carolina..	17,360	84,278	143,402	70.3	726.0
Tennessee.....	28,324	114,034	147,253	29.0	419.8
Texas.....	114,924	418,369	487,874	16.5	324.5
Virginia.....	35,858	153,433	206,458	34.5	475.8
West Virginia...	21,875	69,388	81,796	18.0	274.0

SOURCE: NASULGC, *Appropriations of State Tax Funds for Operating Expenses of Higher Education, 1973-74.*

Source: Southern Regional Education Board Fact Book on Higher Education in the South 1973 and 1974 (Atlanta, 1974)

TABLE 9

Total personal income, 1963, 1973; percent increase, 1963-1973; state operational appropriations for higher education per $1,000 of personal income, 1963, 1973

State	Total Personal Income			State Appropriations per $1,000 of Personal Income	
	1963 (000,000's)	1973 (000,000's)	Percent Increase 1963-1973	1963	1973
United States	$463,054	$1,032,045	122.9	$4.71	$ 9.36
SREB States	105,858	262,985	148.4	5.30	10.39
South as a Percent of U.S.	22.9	25.5	...	...	...
Alabama	5,712	13,180	130.7	5.10	11.19
Arkansas	3,097	7,496	142.0	6.58	9.79
Florida	11,849	35,680	201.1	5.75	9.70
Georgia	7,844	20,307	158.9	4.50	10.77
Kentucky	5,741	13,259	131.0	5.60	11.18
Louisiana	6,292	14,397	128.8	8.88	11.03
Maryland	8,944	21,697	142.6	3.89	7.97
Mississippi	3,292	7,864	138.9	6.04	14.35
North Carolina	8,618	21,726	152.1	5.43	13.22
South Carolina	3,946	10,406	163.7	4.40	13.78
Tennessee	6,644	16,279	145.0	4.26	9.05
Texas	21,649	51,144	136.2	5.31	9.54
Virginia	8,966	22,683	153.0	4.00	9.10
West Virginia	3,264	6,867	110.4	6.70	11.91

SOURCES: *Survey of Current Business*, August, 1973, April, 1974; NASULGC, *Appropriations of State Tax Funds for Operating Expenses of Higher Education*, 1973-74.

Source: Southern Regional Education Board Fact Book on Higher Education in the South 1973 and 1974 (Atlanta, 1974)

TABLE 10

State operational appropriations for higher education, 1973-74; tax revenues, 1973; appropriations as a percent of tax revenues, 1963-64, 1968-69 and 1973-74

State	1973-74 State Operational Appropriations (000's)	1973 Tax Revenues (000's)	Appropriations as a Percent of Taxes		
			1963-64	1968-69	1973-74
United States	$9,657,997	$67,939,452	9.9	13.9	14.2
SREB States	2,732,314	17,874,984	9.1	14.3	15.3
South as a Percent of U.S.	28.3	26.3	...	...	...
Alabama	147,526	931,001	8.9	11.0	15.8
Arkansas	73,411	523,039	10.7	15.4	14.0
Florida	346,056	2,487,791	11.5	16.1	13.9
Georgia	218,660	1,357,866	8.0	15.3	16.1
Kentucky	148,214	1,015,435	9.5	16.2	14.6
Louisiana	158,855	1,165,677	11.0	13.4	13.6
Maryland	172,826	1,456,203	8.1	10.3	11.9
Mississippi	112,868	661,294	9.0	14.8	17.1
North Carolina	287,115	1,657,474	7.5	12.7	17.3
South Carolina	143,402	825,484	6.2	9.6	17.4
Tennessee	147,253	1,006,314	6.9	12.7	14.6
Texas	487,874	2,818,943	10.2	18.0	17.3
Virginia	206,458	1,400,204	8.2	14.7	14.7
West Virginia	81,796	568,259	9.5	15.3	14.4

SOURCES: U.S. Department of Commerce, *State Tax Collections in 1973, 1968 and 1965*; NASULGC, *Appropriations of State Tax Funds for Operating Expenses of Higher Education*, 1968-69 and 1973-74.

Source: Southern Regional Education Board Fact Book on Higher Education in the South 1973 and 1974 (Atlanta, 1974)

TABLE 11

COMPARATIVE EXPENDITURES ON PUBLIC HIGHER EDUCATION
1967-68

	Percent of Per Capita Income	Percent of Per Capita Taxes
Alabama	.765	8.72
Arkansas	.833	8.68
Florida	.756	7.91
Georgia	.726	8.13
Kentucky	.952	10.84
Louisiana	1.100	10.32
Maryland	.613	6.59
Mississippi	.969	9.47
North Carolina	.743	8.04
Oklahoma	.726	7.55
Pennsylvania	.448	5.11
South Carolina	.771	8.62
Tennessee	.693	7.76
Texas	.763	9.22
Virginia	.538	6.37
West Virginia	1.095	11.43
National average	.742	7.6

Source: Carnegie Commission on Higher Education, The Capitol and the Campus (McGraw-Hill, 1971) pp. 48-51

TABLE 12

SOUTHERN AND ARMS STATE APPROPRIATIONS FOR HIGHER EDUCATION

	Dollars Per Student Enrolled - 1970	Dollars Per Person 18-24 Years - 1970	Dollars Per Capita
Kentucky	973	245	31.23
Georgia	896	193	33.09
West Virginia	895	290	34.50
Florida	870	287	36.18
Arkansas	788	194	29.12
Louisiana	752	204	34.18
Pennsylvania	747	244	30.25
North Carolina	746	189	35.46
Virginia	725	179	29.96
Alabama	720	186	22.18
South Carolina	683	135	27.26
Texas	682	219	31.26
Maryland	644	210	31.22
Tennessee	622	179	25.68
Mississippi	563	159	33.44
Oklahoma	542	193	27.80
National Average	734	255	34.98
Southern Average	740	189	30.80

Sources: American Council on Education, P.A.S.
Carnegie Commission on Higher Education, The Capitol and the Campus (1971) Appendix II

B. Facts About Southern State Aid Programs

Southern states have traditionally provided very little direct student aid for their college-age population. There have been some small incentive programs over the years, such as scholarships in teacher education or nursing to encourage students to enter these fields. Some states have other specialized loan programs. But they generally relied on federal aid for grants to students, and on federal aid to guarantee the recent state administered loan programs which are by now quite significant. Until 1974, Florida and Tennessee were the only Southern states which had any significant across-the-board need-based grant program.

Over the last five years, increasing pressure to help private institutions has brought about a new form of student aid: tuition offset grants. Typically these grants range from $200 to $400 per student enrolled at a private college, on the theory that this is less expensive than support of a student in the state's public system. In some states the grants were automatic, in others based on financial need. In some states the grants were available to students in public colleges as well. A few of the states limited the programs by restricting them to students with certain academic qualifications.

Then in 1972 Congress amended the Higher Education Act with the intent of drawing out more student aid from the states; the State Student Incentive Grant program (SSIG) provides federal matching funds for qualifying state need-based programs. To qualify, state aid awards may be given to students at public or private institutions, they may be scholastically competitive or not, but they

must be based on financial need.

This program was funded in a small way in 1974-75 for the first time, and at a somewhat larger rate for 75-76. Even on this limited scale it has proved to be extremely effective in drawing out new or revised state appropriations for state aid. Seven Southern states had qualifying programs in 1973-74 and ten in 1974-75; of the remaining five, all have just passed or are in the process of passing legislation which will enable them to participate in 1975-76.

Several states which had tuition offset grants available only to students at private institutions have converted those programs to comprehensive ones (Kentucky, Texas and Virginia). Some states preferred to keep the private college tuition offset program, and add a new comprehensive program (Georgia, and probably North Carolina).

There are several important characteristics of a state aid program which affect its impact on equal opportunity: (1) is it based on financial need? (2) is it available to students at all institutions, or just private ones? (3) is it restricted in any way by academic qualifications? and (4) is it of sufficient size to make a difference?

Table 13 shows the current characteristics of Southern state programs in some of these respects (some of them changed from their 1974-75 status). Table 14 gives more detail about those states which participated in the SSIG program in 1974-75.

TABLE 13

CHARACTERISTICS OF SOUTHERN STATE STUDENT AID PROGRAMS

	Need Based	Public or Private	Federal/State Dollars 74-75	Effective Date
Alabama				
New program*	Yes	Both		July, 1975 ($524,000)
Arkansas				
New program*	Yes	Both		July, 1975 ($22,000)
Florida				
Student Grants	Yes	Both	$4,864,055	Before 1972
Georgia				
Incentive Scholarships	Yes	Both	$1,186,116	74-75
Tuition Grants	No	Private	$4,558,000	Before 1972
Kentucky				
SSIG	Yes	Both	$554,500	74-75
Louisiana				
New program	Yes	Both		July, 1975 ($550,000)
Maryland				
General State Scholarships	Yes	Both	$320,500	Before 1972
Senatorial Scholarships	No	Both	$2,223,509	Before 1972
Delegate Scholarships	No	Both	$151,020	Before 1972
North Carolina				
New program	Yes	Both		July, 1975 ($846,000)
Tuition grants	No	Private	$4,600,000 ($9,200,000 for 75-76)	Before 1972
Mississippi				
New Program*	Yes	Both		July, 1975 ($340,000)

Oklahoma Tuition Aid Grants	Yes	Both	$540,000	74-75
South Carolina Tuition Grants	Yes	Private	$6,080,000	Before 1972
Tennessee** Tuition Grants	Yes	Both	$3,613,205	Before 1972
Texas Tuition Grants	Yes	Both	$7,500,000	Before 1972
Virginia Scholarships	Yes	Both	$800,000	73-74
West Virginia Scholarships	Yes	Both	$1,500,000	Before 1972

* These new programs pending in state legislatures in June, 1975, are all assured of passage but in some cases are not yet established in final form.

** In Tennessee, litigation brought to test the constitutionality of state aid to students at private institutions has caused considerable change in the prospects for next year. While the SSIG program is apparently to be spent, much of the other state money may be suspended.

Note: In the case of Florida, South Carolina, Tennessee, Texas and West Virginia, the SSIG program does not provide as much as half of the total for need-based aid. These states appropriate far more student aid than their present SSIG formula allocation can match at its presently limited level of funding.

Source: National Association of State Scholarship Programs, U. S. Office of Education, and state student aid officials.

TABLE 14

SOUTHERN AND ADAMS STATE NEED BASED STUDENT FINANCIAL AID PROGRAMS

	Number of Enrolled Winners			Payout Dollars			Average Award Amount		
	72-73	73-74	74-75	72-73	73-74	74-75	72-73	73-74	74-75
Florida									
Student Assistance Grants	337	3,151	4,448	360,000	3,537,400	4,864,055	1,068	1,123	1,094
Georgia									
Incentive Scholarships			3,800			1,186,116			312
Kentucky									
State Student Incentive Grants			1,614			554,500			344
Maryland									
General State Scholarships	650	545	632	296,500	327,300	320,500	456	601	507
Oklahoma									
Tuition Aid Grants			2,000			540,000			270
South Carolina									
Tuition Grants	129	3,284	4,892	147,500	3,849,500	6,080,000	1,143	1,172	1,242
Tennessee									
Tuition Grants	2,002	3,388	5,808	1,177,093	2,146,628	3,613,205	588	552	623
Texas									
Tuition Equalization Grants	6,550	10,002	15,000	3,000,000	5,000,000	7,500,000	458	500	500
Virginia									
Scholarship Assistance		195	2,000		53,868	800,000		275	400
West Virginia									
Scholarships	1,363	1,649	3,000	425,000	500,000	1,500,000	312	303	395
Pennsylvania									
State Scholarships	105,501	106,474	107,871	62,750,544	63,639,614	73,191,262	595	598	679

Source: National Association of State Scholarship Programs Annual Survey
1974-75 figures estimated

Although these new and expanded programs are an encouraging beginning, they are generally still too small to be of real importance in increasing the access of poor students to higher education (Table 14).

The national average of per capita student aid appropriations among states with such aid programs is $2.51. No Southern state is at or above this standard. South Carolina comes closest, with $2.35, but no other Southern state exceeds $1.00 per capita.

The national average of student aid appropriations per student enrolled in higher education is $45.15. South Carolina exceeds that average at a rate of $53.15. The next highest is Tennessee at $22.08.

Pennsylvania is a dual-system state* included in the Adams litigation, although it is not normally considered a Southern state. It has the second largest student aid program in the country. New York, Pennsylvania and Illinois together account for more than half the state aid dollars appropriated.

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*A state with a system of higher education which has colleges founded for blacks, and which prohibited admission to the white schools by black students.

TABLE 15

Southern and Adams States Student Aid Effort
Need-Based Comprehensive Programs

State	1974-75 Award Dollars Per 1970 Population (1)	1974-75 Award Dollars Per Enrolled Student (2)
Alabama	0	0
Arkansas	0	0
Florida	.72	15.79
Georgia	.26	7.62
Kentucky	.17	4.89
Louisiana	0	0
Maryland	.03	1.72
Mississippi	0	0
North Carolina	0	0
Oklahoma	.21	4.07
Pennsylvania	6.21	163.81
South Carolina	2.35	53.15
Tennessee	.92	22.08
Texas	.67	13.67
Virginia	.17	3.72
West Virginia	.86	21.05
Average of all states with programs	2.51	45.15

Source: (1) National Association of State Scholarship Programs
(2) Carnegie Council on Policy Studies in Higher Education, The Federal Role in Postsecondary Education, Jossey-Bass, San Francisco, 1975, Table 7

Appendix A

Data on Race and Income Inequities

The data in Chapter I are largely drawn from published sources: the U. S. Bureau of the Census and the annual Freshman Survey of the American Council on Education. The tables upon which the statements are based are available from the Southern Education Foundation.

Two unpublished sources were used for the SEF Conference, however, and relevant additional tables are reproduced here. Tables 1 and 2 are drawn from new data supplied by the Cooperative Institutional Research Program of the American Council on Education and the University of California at Los Angeles, based on the same annual survey of entering freshmen. Data on Southern institutions cover 44,457 students in 89 institutions in twelve states. The tables and comparisons were compiled for the Conference.

Table 3 is reproduced from the Motion for Further Relief filed by plaintiffs in the Adams v. Richardson case (Civil Action Number 3095-70 in the United States District Court of the District of Columbia) and displays actual enrollments of blacks in Southern public colleges in 1974.

TABLE 1

ENROLLMENT OF FRESHMEN IN HIGHER EDUCATION BY RACE
SELECTED SOUTHERN INSTITUTIONS, FALL 1974

1. Regional comparison of overall percent black enrollment:

East	Midwest	South	West
7.8	4.0	14.1	3.5

(Note that in the twelve states of the survey, the black population is 19.4 percent of the total population. College age blacks represent a somewhat greater proportion of their age group.)

2. National and Southern percent black enrollment by type of Institutions

	All Institutions	Two Year	Four Year	University	Black Colleges
National	7.4	6.7	11.0	3.4	97.2
South	14.1	8.9	24.2	3.5	98.2
South Excluding Enrollment in Black Colleges	5.4	7.9	5.3	3.5	--

3. National and Southern percent black enrollment in public four year colleges by selectivity of institutions

	Low	Medium	High
National	17.9	2.1	10.7
South	27.1	*	2.9
South Excluding Enrollment in Black Colleges	5.9	*	2.9

(* = sample too small to be included)

Source: Data supplied by the Cooperative Institutional Research Program of the American Council on Education and the University of California at Los Angeles, based on their annual survey of freshmen. Data on Southern institutions cover 44,457 students in 89 institutions in twelve states. Tables and comparisons compiled by the Southern Education Foundation.

TABLE 2

INCOME DISTRIBUTION FRESHMEN ENTERING SOUTHERN COLLEGES FALL 1974

Students from Family Income Less than $12,500	BLACK	WHITE
Less than $3,000	21.9	5.0
$ 3,000 - $ 3,999	15.8	5.6
$ 4,000 - $ 5,999	18.8	10.5
$ 6,000 - $ 7,999	16.3	14.7
$ 8,000 - $ 9,999	14.1	20.5
$10,000 - $12,499	13.1	43.6
	100.0	100.0

Students from Family Income More than $12,500		
$12,500 - $14,999	30.6	20.6
$15,000- $19,999	32.4	24.5
$20,000 - $24,999	16.0	19.7
$25,000 - $29,999	8.5	11.0
$30,000 - $34,999	5.0	7.5
$35,000 - $39,999	2.7	5.0
$40,000 - $49,000	2.6	4.4
Over $50,000	2.3	7.3
	100.0	100.0

Source: Data from ACE annual survey of entering Freshmen made available to Southern Education Foundation.

TABLE 3

STUDENT ENROLLMENT AT PUBLIC HIGHER EDUCATION INSTITUTIONS[1]
IN EIGHT ADAMS STATES BY RACE, FALL 1974

STATE	Percent Blacks in College Age Population (18-24) 1970 Census	Black Percent of Enrollment in All 4-Year Public Institutions, FT & PT[1]	Black Percent of Enrollment in 4-Year Predominantly White Institutions	Black Percent of Enrollment in All 2-Year Public Institutions, FT & PT	Black Percent of Graduate Students in All Public Institutions		Black Percent of Professional Students in Predominantly White Institutions	
					FT	PT	FT	PT
ARKANSAS	17.6%	12.4%	7.2%	n/a	2.1%	8.5%	1.6%	6.0%
FLORIDA	16.6%	9.0%	4.5%	9.3%[2]	6.0%	10.5%	7.2%	6.9%
GEORGIA	25.2%	13.8%	7.4%	12.6%	8.6%	15.7%	3.9%	21.0%
MARYLAND	18.4%[2]	17.8%[2]	7.7%[2]	17.4%[2]	12.1%[2]	16.6%[2]	1.5%[2]	1.2%[2]
NORTH CAROLINA	22.0%	18.9%	7.3%	17.8%[2]	8.0%	13.3%	6.4%[3]	0%[3]
OKLAHOMA	7.0%	6.0%	4.3%	6.5%[2]	3.2%	5.8%	1.0%	9.0%
PENNSYLVANIA[4]	9.0%	6.1%	4.5%	12.4%	5.6%	5.4%	5.9%	0%
VIRGINIA	17.0%	15.7%[5]	4.1%	11.1%	2.8%[5]	6.5%[5]	3.6%	0%

(1) Where not otherwise noted, percentages are based on information contained in HEW Form OS-10, Compliance Report of Institutions of Higher Education, Student Enrollment Survey, Fall 1974. FT means full-time enrollment; PT means part-time enrollment.

(2) Data obtained from 1974 Semi-Annual Report from state officials.

(3) Only one predominantly black institution in the Adams states offers professional training, the North Carolina Central University Law School. If this institution is included in the state figures, the totals are 15.3% full-time and 80.9% part-time black enrollment in professional schools.

(4) Because Pennsylvania's state plan includes only the "state-owned" institutions, and because OS-10 Forms are not available for all state institutions, the data for this state have been compiled from a combination of the two sources. They include figures for the 4 "state-related" institutions, (Penn. State University, Temple University, Lincoln University, and the University of Pittsburgh). They do not include figures for the 13 "state-aided" institutions, as data were not available. The two year college data are based on information in OS-10 forms from 12 of 13 such institutions.

(5) One institution, Virginia State College, did not report undergraduates separately from graduates or full-time from part-time students.

Appendix B

Participation of Blacks in Federal and State Student Aid Programs

For a more detailed look at how students finance college, the ACE Freshman Survey data from Southern states for 1974 were broken down by black and white students, and by those above and below a family income of $12,500. Table 1 shows the percent of each of the groups, among entering freshmen in Southern colleges in 1974, which receives various categories of aid. In comparison to the poorer white students, the poorer black students were far more concerned about financing college, received less family support, more federal aid, about the same state aid, and less local and private aid. Note that the two groups are not strictly comparable, as there is a concentration at the lower income levels among the black students.

A special analysis in Georgia, summarized in Tables 2 and 3, shows again how dependent black students in public colleges are on BOG assistance. Note that the state SSIG grants were not yet available in 1973-74.

TABLE 1

COMPARATIVE SOURCES OF SUPPORT FOR ENTERING FULL-TIME FRESHMEN

Fall, 1974
Institutions in Twelve Southern States

	Percent of Black Students Lower Income	Percent of White Students Lower Income	Percent of Black Students Higher Income	Percent of White Student Higher Incom
1. Concern about financing college				
No	17.7	27.1	40.0	53.3
Some	47.3	53.3	44.3	40.2
Major	35.0	19.6	15.7	6.5
2. Family Support				
None	36.5	23.0	10.1	7.2
$1-$999	52.9	51.6	40.4	31.4
Over $1,000	10.7	25.4	49.5	61.6
3. BOGs				
None	21.1	63.3	67.6	90.5
$1-$499	17.4	15.0	12.4	5.2
$500-$999	40.0	16.0	9.0	2.5
Over $1,000	21.5	5.7	10.9	1.7
4. SEOGs				
None	74.2	92.3	91.7	98.5
$1-$499	13.9	4.0	4.0	0.8
$500-$999	8.9	2.7	2.9	0.4
Over $1,000	2.5	1.0	1.4	.3
5. CWS				
None	50.2	78.8	78.0	93.9
$1-$499	25.5	11.8	8.7	3.5
$500-$999	20.8	8.6	10.0	2.3
Over $1,000	3.5	.8	3.3	.4
6. State Grants				
None	80.0	80.5	87.2	92.6
$1-$499	9.4	9.6	4.6	3.9
$500-$999	6.1	5.7	2.6	2.0
Over $1,000	4.5	4.2	5.6	1.6

Lower income= families with income under $12,500

7. Local or Private Grants				
None	80.0	80.5	87.2	92.6
$1-$499	10.0	14.4	9.5	8.2
$500-$999	4.5	5.7	4.3	3.3
Over $1,000	5.5	4.4	6.8	3.1
8. FCSL				
None	84.8	90.8	87.1	94.7
$1-$499	5.9	2.9	2.0	1.0
$500-$999	4.5	2.8	2.6	1.1
Over $1,000	4.9	3.4	8.3	3.2
9. NDSL				
None	70.5	84.2	86.3	95.6
$1-$499	14.1	6.1	4.0	1.5
$500-$999	10.9	6.7	6.0	1.8
Over $1,000	4.6	3.1	3.7	1.2
10. Part-Time Employment				
None	59.0	35.4	54.0	35.6
$1-$500	32.5	44.8	34.7	41.4
$500-$999	7.1	15.5	9.5	16.9
Over $1,000	1.3	4.3	1.9	6.1
11. G.I. Benefits Personal				
None	96.1	97.0	98.5	99.1
Some	3.9	3.1	1.5	.9
12. Social Security Benefits				
None	82.2	82.9	93.9	95.6
$1-$499	13.0	8.5	4.2	2.0
Over $500	4.8	8.5	1.9	2.5

Source: Data provided by the Cooperative Institutional Research Program, ACE/UCLA, from their survey for Freshman Norms 1974.

TABLE 2

PERCENT BLACK ENROLLMENT AND STUDENT AID RECEIPTS

GEORGIA PUBLIC INSTITUTIONS, 1973-74

Institutions	% Enrollment	% All Awards	% All Dollars	BOGs #	BOGs $	Institutional Grants #	Institutional Grants $	Regents Scholarships #	Regents Scholarships $
Georgia State	11.1	21.9	17.7	67.4	72.4	22.7	26.7	11.3	11.5
Georgia Tech.	2.4	4.2	3.8	11.3	15.8	3.1	3.3	3.4	1.0
University of Georgia	2.6	25.3	26.2	n/a		n/a		n/a	
Georgia Medical College	7.4	14.0	18.8	68.4	76.2	35.3	33.7	n/a	
Black 4-Year Colleges	93.3	98.9	98.9	100.	100.	97.3	96.9	92.0	91.9
White 4-Year Colleges	8.1	16.0	16.0	45.0	54.5	17.4	19.2	5.8	5.8
Junior Colleges	8.4	22.2	20.7	57.6	65.2	15.5	31.6	9.9	10.1

Source: Calculated for the Southern Education Foundation from data in institutional reports provided by the Georgia State Office of Student Aid

TABLE 3

PARTICIPATION IN STUDENT AID PROGRAMS BY RACE AND TYPE OF AID

		Dollars			
		Black	White	Other*	Totals
Educational Opportunity Grants					
1. Basic Educational Opportunity Grants	$	310,666	116,490	950	437,016
	%	73.1	26.7	0.2	100.0
2. Supplemental Educational Opportunity Grants	$	903,870	352,365	6429	1,262,664
	%	71.6	27.9	0.5	100.0
SUBTOTALS	$	1,223,283	469,108	7379	1,699,770
	%	72.0	27.6	0.4	100.0
. Other Grants and Scholarships (no repayment required)	$	1,032,892	1,738,556	25,229	2,796,677
	%	36.9	62.2	0.9	100.0
. Scholarships and Loans (repayment in cash or service required)	$	3,401,712	7,355,091	71,139	10,827,942
	%	31.4	68.0	0.6	100.0
Student Employment	$	2,224,722	3,967,123	12,106	6,203,951
	%	35.9	64.0	0.1	100.0
. Graduate Assistantships	$	173,050	2,623,477	76,054	2,872,589
	%	6.0	91.4	2.6	100.0
TOTALS	$	8,055,667	16,153,355	191,907	24,400,929
	%	33.0	66.2	0.8	100.0

* Includes American Indian, Oriental, and Spanish-surnamed students

Source: Unpublished data compiled by the Southern Education Foundation from state institution reports to the Georgia

Source: Calculated for the Southern Education Foundation from data in institutional reports provided by the Georgia State Office of Student Aid.

Appendix C

Public College Tuition Charges

Higher education finance discussions frequently revolve around the merits of the traditional policy of maintaining low-tuition public institutions, and the effect of such a broad public subsidy.

The national average tuition and fee charge is now well over $400 at four-year public colleges. Total resident student charges average over $2,000. Southern public institutions traditionally have kept tuition charges somewhat lower than other regions. Table 1 indicates that major Southern universities charge 95 percent as much as the national average, and that in other four-year Southern public colleges tuition and fees are 85 percent of the national figure. Table 2, however, shows that while tuition and fees are somewhat lower, for a large group of Southern public institutions the total student charges are not significantly less than the national average.

Tables 3 through 6 illustrate some long-term changes in tuition charges, differences by type of institution, comparisons with per capita income changes, and tuition as a percent of expenditures.

TABLE 1

Average annual tuition and required fees for resident and non-resident students in public institutions, 1973-74

State	Major State University		Other Public 4-Year Institutions		Public 2-Year Institutions
	Resident	Non-Resident	Resident	Non-Resident	
United States.....	$520	$1,336	$489	$1,238	$240
SREB States.....	495	1,234	415	1,013	214
South as a Percent of U.S.....	95.2	92.4	84.9	81.8	89.2
Alabama.....	510	1,020	454	541	202
Arkansas.....	400	930	405	800	98
Florida.....	570	1,620	570	1,620	250
Georgia.....	539	1,259	410	951	285
Kentucky.....	480	1,210	420	950	390
Louisiana.....	320	950	315	932	141
Maryland.....	698	1,698	565	1,035	300
Mississippi.....	516	1,116	400	1,000	168
North Carolina....	439	1,997	440	1,899	127
South Carolina....	570	1,280	485	1,015	225
Tennessee.....	399	1,209	368	1,178	195
Texas.....	378	1,458	276	1,356	120
Virginia.....	622	1,447	590	1,190	225
West Virginia.....	310	1,140	260	1,010	270

SOURCES: National Association of State Universities and Land-Grant Colleges, *1973-74 Student Charges at State and Land-Grant Universities;* American Association of State Colleges and Universities, *Student Charges, 1973-74;* American Association of Community and Junior Colleges, *1974 Community and Junior College Directory;* U.S. figure for 2-year institutions from *Projections of Educational Statistics to 1981-82.*

Source: Southern Regional Education Board Fact Book on Higher Education in the South 1973 and 1974 (Atlanta, 1974)

TABLE 2

Regional Comparison of Median Student Charges
1974-75

	New England (6)*	Middle Atlantic (14)	Southeast (32)	Midwest (25)	West (30)
Tuition and Fees					
Resident	$ 765	$ 714	$ 484	$ 613	$ 460
Non-resident	1,739	1,737	1,212	1,640	1,378
Total Charges					
Resident	$ 2,238	$ 2,109	$ 1,553	$ 1,765	$ 1,556
Non-resident	3,390	3,106	2,331	2,694	2,580

* Denotes number of institutions in region.

Source: National Association of State Universities and Land Grant Colleges, 1974-75 Student Charges. (Based on 121 member institutions)

TABLE 3

Long-Term Trend in Charges for Tuition and Fees
State Universities and Land Grant Colleges

	RESIDENT			NON-RESIDENT		
YEAR		$ INCREASE	% INCREASE	AMOUNT	$ INCREASE	% INCREASE
1965-66	$ 311.00	$		$ 734.00	$	
1966-67	333.00	22.00	7.07%	782.00	48.00	6.54%
1967-68	351.00	18.50	5.56	850.00	68.00	8.70
1968-69	360.00	8.50	2.42	905.00	55.00	6.47
1969-70	430.00	70.00	19.44	966.00	61.00	6.74
1970-71	452.00	22.50	5.23	1,106.00	140.00	14.49
1971-72	482.00	29.50	6.52	1,260.00	154.00	13.92
1972-73	517.00	35.50	7.37	1,319.50	59.00	4.72
1973-74	520.00	2.50	.48	1,336.00	16.50	1.25
1974-75	531.00	11.00	2.11	1,378.25	42.25	3.16
TOTALS		$ 220.00	70.73%		$ 644.25	87.78%

Long-Term Trend In Total Charges

	RESIDENT			NON-RESILENT		
YEAR	AMOUNT	$ INCREASE	% INCREASE	AMOUNT	$ INCREASE	% INCREASE
1969-70	$ 1,297.00	$		$ 1,910.00	$	
1970-71	1,376.00	79.00	6.09%	2,019.00	109.00	5.71
1971-72	1,411.00	35.00	2.54	2,241.00	222.00	10.99
1972-73	1,467.00	56.00	3.96	2,238.00	87.00	3.88
1973-74	1,514.00	47.00	3.20	2,443.00	115.00	4.93
1974-75	1,666.50	152.50	10.07	2,654.50	211.50	8.65
TOTALS		$ 369.50	28.48%		$ 744.50	33.97%

Source: National Association of State Universities and Land Grant Colleges. 1974-75 Student Charges (Washington, 1974)

TABLE 4

AVERAGE TUITION AND REQUIRED FEES AND OTHER STUDENT INSTITUTIONAL EXPENSES BY TYPE AND CONTROL OF INSTITUTION, UNITED STATES, 1973-74

Type of Institution	RESIDENT							
	Public				Private			
	Tuition and Fees	Room and Board	Other Expenses	Total Budget	Tuition and Fees	Room and Board	Other Expenses	Total Budget
Universities								
Research Univ. I	$627	$1,206	$679	$2,512	$3,050	$1,475	$514	$5,039
Research Univ. II	496	1,108	687	2,291	2,580	1,312	654	4,546
Other doctoral-granting Univ.	558	1,130	682	2,370	1,956	1,195	602	3,753
Other doctoral-granting Univ.	485	1,083	726	2,294	2,350	1,279	707	4,336
Comprehensive Universities and Colleges								
Comprehensive Univ. and Colleges I	411	986	674	2,071	2,015	1,165	640	3,820
Comprehensive Univ. and Colleges II	412	964	739	2,115	1,740	1,067	686	3,493
Liberal Arts Colleges								
Liberal Arts Coll. I	+	+	+	+	2,510	1,182	519	4,211
Liberal Arts Coll. II	420	1,165	899	2,484	1,728	1,027	515	3,270
Two-Year Institutions	302	1,005	627	1,934	1,382	1,085	430	2,897

+There are only two public institutions in this category.

Source: Carnegie Commission on Higher Education, Tuition (Berkeley, April 1974)

TABLE 5

AVERAGE ANNUAL GROSS TUITION AND REQUIRED FEES, AND PER-CAPITA DISPOSABLE PERSONAL INCOME, PUBLIC AND PRIVATE COLLEGES AND UNIVERSITIES 1929-30 TO 1973-74 (IN CONSTANT DOLLARS)

	Public Tuition		Private Tuition			Per-Capita Income	
Year	Amount	Annual Average Rate of Change	Amount	Annual Average Rate of Change	Ratio, Private To Public Tuition	Amount	Annual Average Rate of Change
1929-30	$125		$447		3.6	$1,182	
1933-34	165	7.2	575	6.5	3.5	923	-6.0
1937-38	164	-0.2	535	-1.7	3.3	1,140	5.5
1941-42	165	0.6	540	0.2	3.2	1,504	7.0
1945-46	162	-1.0	486	-2.6	3.0	1,624	1.9
1949-50	247	11.1	579	4.5	2.3	1,597	-0.6
1953-54	173	-8.5	578	-0.1	3.3	1,720	1.9
1957-58	190	2.4	683	4.3	3.6	1,838	1.7
1961-62	215	3.1	884	6.7	4.1	1,940	1.4
1965-66	251	3.9	1,090	5.4	4.3	2,287	4.2
1969-70	283	3.0	1,341	5.3	4.7	2,565	2.9
1973-74	305	1.9	1,514	3.1	5.0	2,928	3.4
1929-30 to 1973-74		2.0		2.8			2.1

Source: Carnegie Council on Higher Education, Tuition (Berkeley, April 1974)

TABLE 6

REVENUE FROM TUITION AND OTHER REQUIRED FEES AS PERCENTAGE OF EDUCATIONAL EXPENDITURES, BY STATE AND TYPE OF INSTITUTION, PUBLIC INSTITUTIONS, U. S., 1971-72+

State	Universities		Comprehensive Universities and Colleges		Liberal Arts Colleges		Two-Year Institutions	
Alabama	22.1%	(2)*	19.8%	(9)	25.4%	(1)	21.2%	(14)
Arkansas	22.7	(1)	30.3	(8)			22.7	(3)
Florida	15.4	(2)	21.7	(5)			23.2	(24)
Georgia	16.4	(3)	27.7	(12)			30.2	(13)
Kentucky	17.3	(2)	16.1	(3)			39.0	(1)
Louisiana	23.6	(1)	19.2	(11)			11.4	(6)
Maryland	32.6	(1)	20.5	(5)	20.1	(3)	24.3	(12)
Mississippi	28.8	(4)	28.0	(5)			15.2	(15)
North Carolina	14.1	(2)	23.4	(9)	20.0	(1)	7.5	(34)
Oklahoma	28.8	(2)	31.0	(9)	22.0	(1)	27.1	(14)
Pennsylvania	32.8	(3)	36.3	(11)			37.0	(20)
South Carolina	19.0	(2)	16.2	(3)	37.6	(3)	24.0	(22)
Tennessee	30.0	(1)	26.1	(9)			14.5	(8)
Texas	8.0	(7)	14.3	(12)			17.7	(44)
Virginia			32.2	(8)	51.5	(1)	21.0	(19)
West Virginia	20.7	(1)	5.2	(9)			23.1	(5)

Source: Carnegie Council on Higher Education, Tuition (Berkeley, April 1974)

*Numbers in parentheses represent number of institutions (or in some cases campuses) reporting.